

Second Edition

Standard Operating Procedures

Punjab Procurement Rules 2014



Punjab Cities Governance
Improvement Project



THE WORLD BANK
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PPRA

SECOND EDITION

Standard Operating Procedures

Punjab Procurement Rules 2014



Punjab Cities Governance Improvement Project

DISCLAIMER

The SoPs have been prepared to serve as an implementation tool of Punjab Procurement Rules 2014 under World Bank assisted Punjab Cities Governance Improvement Project. Maximum care and caution has been observed while developing these SoPs, however in case of any discrepancy, the provision of rules shall prevail. The entire responsibility of carrying out procurement rests with the Procuring Agency.

The Urban Unit shall not be responsible for any flaw in the procurement process of any procuring agency.

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The team valued the inputs and feedback of representatives from the CDGs, WASAs, DAs, Government Departments and Housing Department in making SoPs a potential document.

Preface

The Government of the Punjab signed a loan agreement worth US\$ 154 million with the World Bank for a project titled Punjab Cities Governance Improvement Project (PCGIP). The project, which is in its 3rd year, is being successfully implemented in five (5) City District Governments (CDGs) of Punjab.

The Project's main focus is on the improvement of management and governance systems in the CDGs. The total project is worth US\$ 154 million, out of which US\$ 145 million is to be disbursed amongst the CDGs as performance grants. The disbursement of the grant is conditional to fulfillment/achievement of agreed reform actions, referred as Disbursement Linked Indicators (DLIs). There are a total of seven (7) DLIs with their separate yearly targets and each CDG will get its share from the grant upon achievement of these targets on a yearly basis.

Within the project, DLI 2 focuses on the improvement of systems and practices involved in public procurement. The extract from the Project Appraisal Document on DLI 2 is reproduced as under;

“The CDG are required to use the provincial procurement rules, but compliance is partial due to gaps in implementation instruments, interpretation issues, as well as dissemination issues. As a part of the systemic improvements, the Procuring Agencies need to establish Standard Operating Procedures (SoPs) for procurement and contract management systems.”

The development and notification of SoPs is one of the agreed actions required to be met by the CDGs to achieve DLI 2. In order to meet this requirement, the CDGs developed various SoPs with technical assistance of Urban Unit (UU) for the use of District and City District Government, WASAs and Development Authorities.

The SoPs are most likely to improve transparency and efficiency in the procurement system of public procurement system by setting standard operating procedures along with clear assignment of responsibilities in line with Punjab Procurement Rules 2014.

Acronyms

APP	Annual Procurement Plan
BD	Bidding Document
BoQ	Bill of Quantities
CSC	Consultant Selection Committee
CDG	City District Government
DAs	Development Authorities
DG	District Government
DCO	District Coordination Officer
Dir. Gen	Director General
DO	District Officer
EoI	Expression of Interest
EDO	Executive District Officer
FBS	Fixed Budget Selection
GDP	Gross Domestic Product
GoPb	Government of Punjab
ICB	International Competitive Bidding
LCB	Limited Competitive Bidding
LCS	Least Cost Selection
MD	Managing Director
NCB	National Competitive Bidding
OCB	Open Competitive Bidding
PA	Procuring Agency
PC	Procurement Committee
PPRA	Punjab Procurement Regulatory Authority
PQ	Prequalification
PR	Purchase Requisition
PSF	Procurement Support Staff
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
P&D	Planning and Development Department
RD	Requisitioning Department
RFP	Request for Proposal
RFQ	Request for Quotation
SBD	Standard Bidding Documents
SoP	Standard Operating Procedures
ToR	Terms of Reference
WASA	Water and Sanitation Agency

Contents

CHAPTER 1: GENERAL GUIDNCE	2
1.1 Definition	2
1.2 Historical Background	5
1.3 Purpose of the SoPs	6
1.4 Guiding Principles for Procurement	6
1.5 Financial Authority	7
1.6 Responsibility and Approval (Goods, Works and Services)	7
1.7 Responsibility and Approval (Consultancy Services)	8
CHAPTER 2: CODE OF ETHICS	9
2.1 Code of Ethics for Procuring Officials	9
2.2 Code of Ethics for Bidders	9
CHAPTER 3: ANNUAL PROCUREMENT PLANNING	12
3.1 Preparation of Annual Procurement Plans	12
3.2 Announcement of Proposed Procurements	13
CHAPTER 4: INITIATING PROCUREMENT	15
4.1 Raising a Requisition	15
4.2 Formation of Procurement Committees & Delegation of Power	16
4.3 Preparing Specifications	17
4.4 Drafting a Bidding Document	18
CHAPTER 5: ASEESSING ELIGIBILITY AND QUALIFICATION	21
5.1 Eligibility of Suppliers and Contractors	21
5.2 Enlistment of Contractors for Procurement of Works	22
5.3 Prequalification of Suppliers and Contractors	24
5.4 Qualification of Suppliers and Contractors	26
5.5 Disqualification of Suppliers and Contractors	27
5.6 Blacklisting of Contractors	28
CHAPTER 6: MANAGING THE BIDDING PROCESS	30
6.1 Publishing an Invitation to Bid	30
6.2 Handling Bidder's Clarification	31
6.3 Submission of Bids	33
6.4 Bidding Process for Goods and Services	34
6.5 Bidding Process for Works	35
6.6 Opening of Bids	36
6.7 Cancellation of Bidding Process	38
CHAPTER 7: BIDDING PROCEDURES	39
7.1 Single Stage – One Envelope Procedure	39
7.2 Single Stage – Two Envelope Procedure	40

7.3 Two Stage Bidding Procedure	43
7.4 Two Stage – Two Envelope Bidding Procedure	44
CHAPTER 8: EVALUATION PROCESS AND COMPLAINNCE OF BIDDERS	46
8.1 Evaluation of Bids for Goods and Services	46
8.2 Evaluation of Bids for Works	48
8.3 Announcement of Evaluation Reports	50
8.4 Redressal of Grievance Reports	52
CHAPTER 9: CONTRACT MANAGEMENT	54
9.1 Acceptance of Bid and Awarding a Contract	54
9.2 Managing a Contract	55
9.3 Contract Amendment	57
9.4 Termination of Contract	58
9.5 Record Maintenance and Freedom of Information	58
CHAPTER 10: ALTERNATE METHODS OF PROCUREMENT	61
10.1 Petty Purchase	61
10.2 Request for Quotation	61
10.3 Direct Contracting	62
10.4 Negotiated Tendering	64
CHAPTER 11: GENERAL GUIDELINES	68
11.1 Introduction	68
11.2 Funding and Approval Mechanism	68
11.3 Consultant Selection Committee	69
CHAPTER 12: IDENTIFYING THE CONSULTANTS	72
12.1 Expression of Interest	72
12.2 Short Listing of Consultants	73
12.3 Request for Proposal	74
CHAPTER 13: SELECTING A METHOD	78
13.1 Quality and Cost Based Selection	78
13.2 Quality Based Selection	79
13.3 Least Budget Selection	80
13.4 Single Source Selection or Direct Selection	80
13.5 Individual Consultant Selection	81
CHAPTER 14: SELECTION PROCESS	83
14.1 Receipt and Opening of Proposal	83
14.2 Clarification of RFP/ToRs	84
14.3 Technical Evaluation	84
14.4 Financial Evaluation	86
14.5 Contract Negotiation	87

Table

Annexure A Annual Procurement Plan	90
Annexure B Announcement of APP	91
Annexure C Procurement Requisition	93
Annexure E Bidding Process	94
Annexure F Bidding Submission and Opening	95
Annexure G Bid Opening Checklist	96
Annexure H Table 1: Preliminary Examination	97
Annexure H Table 2: Preliminary Examination	98
Annexure I Table 1: Detailed Technical Evaluation	99
Annexure I Table 2: Summary Technical Evaluation	100
Annexure J Summary of Financial Evaluation	101
Annexure K Announcement of Evaluation Report	102
Annexure L Proposed Contract Award	103

Unit - 1

Introduction

CHAPTER - 1

GENERAL GUIDELINES

1.1: Definitions

Definitions in Punjab Procurement Regulatory Authority Act, 2009 (Clause 2)

- a. **Authority** means the Punjab Procurement Regulatory Authority
- b. **Board** means the Board of Management
- c. **Chairperson** means the Chairperson of the Board.
- d. **Corrupt and Fraudulent Practices** includes the offering, giving, receiving or soliciting of anything of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; or misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders (prior to or after bid submission) designed to establish bid price at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition, to harm or threaten to harm persons or their property to influence procurement proceeding or affect the execution of a contract and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty;
- e. **Fund** means the Public Procurement Fund;
- f. **Goods** means articles and objects of every kind and description including raw materials, products, equipment, machinery, spares and commodities in any form and includes services incidental to installation, transport, maintenance and similar obligations related to the supply of goods if the value of these services does not exceed the value of such goods;
- g. **Government** means the Government of the Punjab;
- h. **Managing Director** means the Managing Director of the Board;
- i. **Member** means a member of the Board;
- j. **Misprocurement** means public procurement in contravention of any provision of PPRA Act 2009, rules, regulations, orders or instructions made there under or any other law in respect of, or relating to the public procurement;
- k. **Prescribed** means prescribed by the rules made under this Act;
- l. **Procuring Agency** means- (i) a department or office of the Government; (ii) a district government; or (iii) an authority, corporation, program, project, body or organization established by or under a Provincial law or which is owned or controlled by Government of the Punjab.
- m. **Public Fund** means the Provincial Consolidated Fund and the Public Account of the Province as defined in the Constitution of Islamic Republic of Pakistan and includes funds of a Procuring Agency;
- n. **Public Procurement** means acquisition of goods, services or rendering of works financed wholly or partly out of the Public Fund, unless excluded by the Government;
- o. **Regulations** mean regulations made under this Act;

p. Rules means rules made under this Act'

q. Services include advisory and consultancy services of any kind.

r. Works means a construction work adding consisting of erection, assembly, repair, renovation or demolition of a building or structure or part thereof, such as site preparation, excavation, installation of equipment or materials and decoration, finishing and includes incidental services such as drilling, mapping, satellite photography, seismic investigations and similar activities, if the value of those services does not exceed that of the works themselves.

Definitions in Punjab Procurement Rules, 2014 (Rule 2)

a. Act means the Punjab Procurement Regulatory Authority Act 2009 (VIII of 2009).

b. Advertisement means an advertisement published in the manner prescribed under rule 12.

c. Applicant means a person or firm who seek to be enlisted or to be prequalified or to be shortlisted in response to the advertisement given by the procuring agency.

d. Associate means any agency or person with whom the consultant associates in order to provide any part of the services.

e. Authority means the Punjab Procurement Regulatory Authority.

f. Bid means a tender or an offer, in response to an invitation, by a person, consultant, firm, company or an organization expressing his or its willingness to undertake a specified task at a price.

g. Bidding Document means a document or a set of documents prescribing the quantity, quality, characteristics, conditions and procedures of the transactions prior to the actual procurement and on the basis of which bidders prepare their bids.

h. Bid Security means the bank guarantee or other form of security submitted by a bidder together with a bid to secure the obligations of the bidder participating in a bidding proceeding.

i. Competitive Bidding means a procedure leading to the award of a contract whereby all the interested persons, firms, companies or organizations may bid for the contract.

j. Competent Authority means the head of the procuring agency or any other officer authorized to act as competent authority.

k. Completion Date means the date of completion of the procurement certified by the procuring agency.

l. Consultant means a person or firm who or which is qualified by appropriate education and relevant experience for provision of consultancy services.

m. Consultancy Services means services requiring adequate technical expertise and financial capability in undertaking specific assignment or project and may be of an intellectual nature and differ from the other types of services directly connected with the procurement of goods and works in which the physical component of the activity is the main function and often involves equipment intensive assignments and may include:

- i. Advisory and review services
- ii. Pre-investment or feasibility studies
- iii. Construction supervision
- iv. Management and related services
- v. And other technical services or special studies

- vi. Design
- vii. And surveys and investigations.

n. Contract means the agreement proposed to be entered into between the procuring agency and the successful bidder.

o. Contractor means a person, firm, company or an organization who or which undertakes to supply goods, services or works and includes a consultant.

p. Corrupt and Fraudulent Practice means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official or the contractor in the procurement process or in contract execution to the detriment of the procuring agency; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agency of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty; it may include any of the following practices:

i. **Coercive Practice** by impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party.

ii. **Collusive Practice** by arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the procuring agency to establish prices at artificial, noncompetitive levels for any wrongful gain

iii. **Corrupt Practice** by offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the acts of another party for wrongful gain;

iv. **Fraudulent Practice** by any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

v. **Obstructive Practice** by harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract or deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements before investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of inspection and audit rights.

q. Emergency means natural calamity, disaster, accident, war and operational emergency which may give rise to abnormal situation requiring prompt and immediate action to limit or avoid damage to person, property or the environment.

r. Evaluation Committee means a committee constituted by the procuring agency to evaluate tender or proposal to ascertain whether the bid's proposal or tender correspond to the evaluation criteria formulated by the procuring agency.

s. Evaluation Report means the report prepared after the evaluation of tenders, quotations, expression of interest, or proposal.

t. Framework Contract means a contract whereby the procurement is made for a certain volume or quantity of a particular good, a set of goods, services or works over a specific period against an agreed sum or rate per item or lump sum.

u. Government means Government of the Punjab.

v. Large Consultancy means a consultancy where the cost of consultancy exceeds one million rupees for individual consultant and five million rupees for consulting firms and the duration of

large consultancy for an individual consultant shall not exceed twelve months;

w. Lowest Evaluated Bid Means a bid most closely conforming to evaluation criteria and other conditions specified in the bidding document; and having lowest evaluated cost;

x. Performance Guarantee means the bank guarantee or other form of security submitted by the contractor to secure obligations under the contract in accordance with the requirement in the bidding document;

y. Prequalification means a procedure for demonstrating qualification as a pre-condition for being invited to tender;

z. Proposal means the technical proposal or the financial proposal submitted by a bidder.

aa. Repeat Orders means procurement of the same commodity from the same source.

ab. Responsive means qualified for consideration on the basis of declared evaluation criteria as specified in the bid document or in the request for proposal.

ac. Short Consultancy means consultancy where the cost of consultancy does not exceeds one million rupees for individual consultant and five million rupees for consulting firms and duration of the short consultancies for an individual consultants shall not exceed six months.

ad. Supplier means a person, firm, company or an organization who or which undertakes to supply goods, services or works.

ae. Urgency means a limited timeline for the accomplishment of procurement which cannot be met through open and limited bidding method.

af. Value for Money means the best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the procuring agency's requirements.

1.2: Historical Background

Historically the traditional procurement practice in Punjab was/is administered under multiple rules, codes, manuals and instructions, some of which are:

Purchase Manual: provided details on procurement procedures (ranging from procurement planning to contracts of procurement of goods but not services), roles and responsibilities of procuring officials, and standard Annexure/forms to be used in the procurement process. The Purchase Manual did not cover procurements of specialized nature, such as capital works etc.

B&R Code: pertains to the matters of procurement procedures for civil works of Public Works Departments in Punjab like Irrigation, Energy, Communication & Works and Public Health Engineering Departments. The Code defines the scope of the administrative and executive functions of the officers of the Buildings and Roads Department and embodies such rulings as are necessary in the interest of Provincial finance and control. These departments follow their own Annexure for procurement procedures, such as solicitation documents and contract forms/terms, to the extent it is consistent with Punjab Procurement Rules, 2014.

Delegation of Financial Powers Rules: includes references to procurement related functions e.g. procuring powers of government officials of various categories, mainly covers the local/insignificant purchase process.

Consultant Selection Guidelines: The Planning & Development Department earlier issued guidelines for hiring of consultants for supervision of development projects. Consulting services were procured under Punjab Procurement Rules read with Planning and Development Consultant

Selection Guidelines, 2006¹ and Handbook for Consultant Selection 2010². Procurements in the projects that are funded by the multilateral and bilateral partners were governed by the Agreement between the respective donor agency and the Government of Punjab or/and Economic Affairs Division, Government of Pakistan. Consultant selection guidelines has been replaced by Chapter VII (Procurement of Consultancy services), Punjab Procurement Rules 2014.

Punjab Procurement Rules 2014: The Punjab Procurement Regulatory Ordinance was promulgated in 2007 to establish the Punjab Procurement Regulatory Authority. Thereafter, Punjab Procurement Rules 2009 were framed and implemented under the Punjab Procurement Regulatory Ordinance 2009. Some amendments were made in 2013 in Punjab Procurement Rules 2009 which were renamed as Punjab Procurement Rules 2009 (Amended). These rules have been repealed in 2014 and new Punjab Procurement Rules have been enforced as Punjab Procurement Rules 2014. Like all the government departments and public sector corporations that are using public funds, the City Districts Governments/District Governments/WASAs/Development Authorities have to follow Punjab Procurement Rules 2014³ for procurement of goods, works, services and consultancy services.

1.3: Purpose of the SoPs

Since the Punjab Procurement Rules 2014 are exclusively focused on solicitation procedures of procurement and do not address issues such as powers of the procuring officials and actual steps to be taken by the procuring entities; hence there is need for having elaborated Standard Operating Procedure (SoP) for guidance of such officials/entities.

These SoPs have been developed in light of the Punjab Procurement Rules 2014, to established best practices in procurement. SoPs attempt to outline:

- i. Methodology/guidelines for procurement staff to undertake different steps in procurement process;
- ii. Roles and Responsibilities of different officials.

Defining roles and responsibilities of the officials involved in the procurement process is likely to improve transparency and accountability and bring about uniformity in procurement transactions in a district government and across different CDGs, WASAs and DAs.

1.4: Guiding Principles for Procurement

It is important that CDGs/DGs while applying these SoPs should consider the following principles of procurement as the guiding force, which have been laid down in Rule 4 of Punjab Procurement Rules 2014:

Rule 4, Principles of procurements. – A procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

1. Transparency
2. Efficiency
3. Fairness
4. Economy
5. Value for money

¹[http://www.pndpunjab.gov.pk/user_files/File/GuidelinesforSelectionofConsultantsv1.3.1\(duplex\).pdf](http://www.pndpunjab.gov.pk/user_files/File/GuidelinesforSelectionofConsultantsv1.3.1(duplex).pdf)

²[http://www.pndpunjab.gov.pk/user_files/File/PunjabGovernmentHSCv1\[1\].5.7.pdf](http://www.pndpunjab.gov.pk/user_files/File/PunjabGovernmentHSCv1[1].5.7.pdf)

³http://www.ppra.punjab.gov.pk/rules_regulations

1.5: Financial Authority

The financial authorities shall continue to exercise under 'The Punjab Delegation of Financial Powers Rules, 2006'. Signing of Contracts and Contract Management shall be done by the officials as per the financial authorities delegated therein.

1.6: Responsibilities and Approvals (Goods, Works and Services)

A responsibility matrix for the procurement of Goods, Works and Services is given below.

ACTIVITY	RESPONSIBILITY	REVIEW	APPROVAL
Work Plan/ Procurement Plan	Head/All functional Departments/DDOs/EDOs	EDO Finance	DCO/ MD/Dir. Gen WASA/DA
Initiation of Proposal	Departmental Representatives/DDO/ Director	EDO Procurement Department/ Finance Wing	
Procurement Methodology	Procurement Committee		Head of Procuring Agency will constitute an appropriate for a (in case of Single Source/Direct Contracting)
Documents for Prequalification	DO/ Director WASA/CDGDA /PC	Procurement Committee	
Advertisement	DO/ Director WASA/CDGDA		
Receipt of Prequalification Documents	DO/Director WASA/CDGDA		
Opening of Prequalification Documents	Procurement Committee		
Short listing	Procurement Committee		
Development of Bidding Documents	DO/ Director WASA/CDGDA /PC plus any co-opt technical member if required	Procurement Committee	
Receipt of Proposals	DO/Director WASA/CDGDA		
Technical Evaluation	Procurement Committee		
Award of Contract	Recommended by Procurement Committee		Competent Authority

1.7: Responsibilities and Approvals (Consultancy Services)

A responsibility matrix for the procurement of consultancy Services is given below.

ACTIVITY	RESPONSIBILITY	REVIEW	APPROVAL
Work Plan	Head/All functional Departments/DDOs/EDOs	DCO/EDO Finance/ MD/Dir. Gen. WASA/DA	Work Plan
Initiation of Proposal	Departmental Representatives/DDO/Director	EDO Procurement Department/ Finance Wing	
Consultancy Methodology	CSC		
Eol development	DO of CDG/DG/Director WASA/ Director Development	CSC	
Advertisement	DO of CDG/DG/ Director WASA/ Director Development		
Receipt of Eols	DO of CDG/DG/Director WASA/ Director Development		
Opening of Eols	CSC		
Short listing	CSC		
RFP Development	DO of CDG/DG/Director WASA/ Director Development	CSC	
Receipt of Proposals	DO of CDG/DG/Director WASA/ Director Development		
Technical Evaluation	CSC		
Financial Evaluation	CSC		
Contract Negotiations	CSC		
Award of Contract	Recommended by Procurement Committee		Competent Authority

CHAPTER - 2

CODE OF ETHICS

2.1: Code of Ethics for Procuring Officials

All officials of district government and across different CDGs, WASAs, DAs and PHAs involved in procurement activities covered by these SoPs, are required to comply with the following Code of Ethics.

1. An official shall not use his authority or office for personal gain. Personal advantage includes accepting or requesting anything of substantial value from bidders, potential bidders or suppliers.
2. “Any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty” shall be considered as corrupt and fraudulent practice.⁴
3. The officials involved in the procurement process shall keep all information regarding the bid evaluation confidential until the time of the announcement of the evaluation report in accordance with the requirements of Rule 58⁵.
4. Official involved in procurement process has to sign a ‘Conflict of Interest’ statement. Concerned official should declare any personal interest they may have in any procurement that may affect, or may reasonably be deemed by others to affect, their impartiality in any matter relevant to their duties.
5. During the procurement process, the officials shall not:
 - i. Bar or restrict availability of bidding documents/other information to a bidder;
 - ii. Develop specifications to favor a particular vendor;
 - iii. Split or group the procurements;
 - iv. Add any condition in the bidding documents which discriminates between bidders or is difficult to meet.⁶

I. Annexure

The officials involved in evaluation should not have a Conflict of Interest which means any association/relationship with the bidders. The Conflict of Interest statement is outlined in **Annexure C**, which should be filled and submitted by the members of Procurement Committee.

2.2: Code of Ethics for Bidders

1. The bidders will not involve in “offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution to the detriment of the procuring agencies”.⁷
2. The bidders will not “misrepresent the facts in order to influence a procurement process or the execution of a contract”.⁸

⁴PP Rules 2014; Rule 2 Definitions, Sub-Rule (p) Corrupt and Fraudulent practice

⁵PP Rules 2014; Rule 58 Confidentiality

⁶PP Rules 2014; Rule 34 Discriminatory and difficult conditions

⁷PP Rules 2014; Rule 2 Definitions, Sub-Rule (p) Corrupt and Fraudulent practices

⁸ Ibid

3. The bidders will not involve in “collusive practices (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition”.⁹
4. PAs shall ensure that an individual consultant or a consulting firm, for an assignment, shall not be hired where there is possibility of conflict of interest
5. All procurement for goods, works, services and consultancies, above Rs.500,000 shall be subject to an integrity pact between PA and suppliers or contractors.¹⁰
6. The supplier or contractor should not submit any information concerning his qualification, which is false and materially inaccurate or incomplete otherwise he shall be disqualified from the procurement proceedings.¹¹
7. Suppliers and contractors who are found to be indulged in corrupt or fraudulent practices shall be debarred from participating in the procurement proceedings.¹²

⁹Ibid

¹⁰PP Rules 2014; Rule 7 Integrity pact

¹¹ PP Rules 2014; Rule 19 Disqualification

¹² PP Rules 2014; Rule 21 Blacklisting

Unit - 2
Procurement of
Goods, Works &
Services

CHAPTER - 3

ANNUAL PROCUREMENT PLANNING

3.1: Preparation of Annual Procurement Plans

I. Reference:

PP Rules 2014; Rule 8 Procurement Planning

ii. **Rule 8 Procurement planning:** A procuring agency shall, within one month from the commencement of a financial year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future.

II. Annexure:

Please use APP template exhibited in **Annexure A** for preparation of Annual Procurement Plan.

III. Remarks:

This SoP explains the need for Annual Procurement Plans and provides guidance on how they may be produced. Annual Procurement Plans will help in setting focused, realistic and achievable objectives.

IV. Approval Required:

DCO and heads of WASA, City Development Authorities shall approve the final draft of APP.

V. Suggested Time Line as per Budget Calendar

TARGET DATE	ACTIVITY	REMARKS
15 th November	Submission of draft APP by the DDOs/section heads in WASA/DA.	EDOs/director WASA/DAs will consolidate procurement plans submitted by DDOs/section heads
1 st January	Submission of consolidated procurement plans to EDO (F&P)/director finance	EDO (F&P)/director finance will modify the plan and will add development allocations keeping in view the resource envelope available.
31 st March	Submission of budget estimate/APP by EDO (F&P)/DF for approval of DCO/MDs/DGs, WASA/DAs	Approval of DCOs/MDs/DGs, WASA/DAs
30 th June	Distributing the budget estimates among EDOs/Director by the EDO (F&P)/Director Finance	Necessary modifications are made in the procurement plans in accordance with the budget estimates approved by the assembly and

TARGET DATE	ACTIVITY	REMARKS
		respective boards in case of DA.
15 th July	EDOs/directors will distribute the procurement plan back to DDOs/section heads	
18 th July	Announcement of tentative annual procurement plans by hoisting on website of PPRA/PAs	EDOs of respective departments/director WASAs/DAs shall monitor the activity

Note: *The dates are subject to change as per dates indicated in the budget call circular issued by finance department every year.*

1. Procedure:

1. The Drawing and Disbursing Officer (DDO)/section heads, while submitting the proposed non-development budget estimates, in terms of the provisions of instructions contained in Budget Rules/Regulations, for the ensuing financial year, shall carry out an exercise of need assessment of the requirements of machinery equipment etc. and will enclose a procurement plan on a prescribed form (**Annex-‘A’**) with the proposed budget estimates, previously prepared by him.

2. EDO concerned/Director of a development authority/WASA while scrutinizing the estimates will add or reduce the procurement plan in the same manner as he has increased/reduced the estimates for allocations pertaining to procurement of goods and services, and will also add to the procurement plan the procurements arising out of development schemes.

3. The EDO (F&P)/Director Finance, on receipt of proposed budget estimates for the ensuing financial year shall consolidate and firm up the estimates as per available resources and concerned procuring agency will modify the procurement plan accordingly. The EDO/Director Finance will submit the draft procurement plan along with budget estimate to the District Coordination Officer (DCO) in case of City District Government, Director General (DG)/ Managing Director (MD) in case of Development Authority/Agency, as the case may be, for its approval.

4. On approval of the budget estimates for the next financial year, the EDO (F&P)/Director Finance shall send the APP to respective EDOs/directors. The respective EDOs/directors shall send the APP to DDOs/section heads for monitoring and placement of the modified procurement plan on the official website of PPRA and PAs.

5. The Procurement Plan could be revised/updated with the approval of DCO and heads of WASA, City Development Authorities. The Plan shall, however, not be revised as a matter of routine. It could be revised/updated if the following conditions exist:

- a. Change in the resource envelope or flow of funds.
- b. Refusal of competent forum to approve a development project.

3.2: Announcement of Proposed Procurements

I. Reference:

PP Rules 2014; Rule 9 Limitation on Splitting of procurement

Rule 9, Limitation on splitting of procurement. Save as otherwise provided and subject to the regulations, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or

regrouping of the procurements so planned.

2. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website.

II. Annexure:

Please use Template exhibited in **Annexure B** (prescribed by PPRA) for announcement of Annual Procurement Plan.

III. Remarks:

This SoP explains how announcements of annual procurements planned should be made. All procurements shall be done in accordance with the procurement plan. Any major changes during the implementation period of the approved procurement plan will have to be justified (Save as otherwise provided) by the officer responsible for that particular activity as there is limitation on splitting or regrouping of the procurements so planned.

IV. Responsibilities:

The posting of APP on PAs and PPRA website shall be the responsibility of the DDOs of respective departments in CDGs/DGs, and of the Deputy Directors in WASAs/DA.

V. Approval Required:

After approval of the proposed APP, by DCO and heads of WASA, City Development Authorities, it is mandatory to advertise the APP on PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website, as per rule 9, Limitation on Splitting of procurement.

VI. Procedure:

1. The EDO F&P/Director Finance WASA, DAs will send the approved APP to EDOs/Directors of initiating departments by 10 July.
2. The DOs/Director WASA, DAs will forward the APP to the respective DDOs/DDs by 15th July.
3. The respective EDOs/DDs will post the APP on the website of PPRA and PA within three days after receiving the APPs.

CHAPTER - 4

INITIATING PROCUREMENT

4.1: Raising a Requisition

I. Reference:

PP Rules 2014; No specific reference for Requisition,

II. Annexure:

Please use template exhibited in Annexure D for initiating the procurement by raising a requisition.

III. Remarks:

1. A requisition must be raised to start any procurement process. It serves a number of purposes, including:
2. Commencing the procurement by authenticating the need for the goods, works or services required;
3. Endorsing the availability of funding, based on the estimated value of the procurement requirement;
4. Establishing the chain of responsibility for sanctioning the procurement.

IV. Responsibilities:

All the sections/wings/DDOs that undertake some sort of procurement activity may initiate the process by raising a requisition requesting approvals from competent authority i.e. EDOs/Directors CDG/WASA/DAs;

V. Time Line:

ACTIVITY	TIME LINES
Raising a requisition/indenting officer/user department	According to dates prescribed in the procurement plan
Approval by concerned EDOs/Directors	Within 7 days after submission of requisition
Approval by DCO/MD/DG in large projects	Within 15 days after submission of requisition

VI. Procedure:

1. Initiate the Requisition by using the Template exhibited in Annexure D.
2. Prepare an initial description of requirements – see SoP 4.3 for further guidance.
3. The officer who begins the procurement by initiating the requisition must sign the Requisition Form in order to certify that the goods, works, or services are required.
4. Obtain approval to proceed with the procurement, through the signature of EDO, on the Requisition Form.
5. The EDO/Director shall approve the initiation of procurement within seven days after submission of requisition.

6. In case of large and complex procurements which are beyond the powers of EDO, The EDO will seek approval of the DCO to initiate the procurement which may be granted within fifteen days to IDPC.

4.2: Delegation of Powers & Formation of Procurement Committees

I. Reference:

PP Rules 2014; Rule 2 (r) Evaluation Committee, Rule 11 Approval Mechanism

2 (r), 'Evaluation Committee' means a committee constituted by the procuring agency to evaluate tender or proposal to ascertain whether the bid's proposal or tender correspond to the evaluation criteria formulated by the procuring agency.

11. Approval mechanism

All procuring agencies shall provide clear authorization and delegation of powers for different categories of procurement and shall initiate procurements after prior approval of the competent authority.

II. Remarks:

Prior to the enforcement of PPRA Rules 2014 it was prerogative of the Finance Department to determine the purchase powers of various functionaries of the government through delegation of financial power rules, now PP Rule 11 Approval Mechanism, entrust this responsibility to the procuring agency.

III. Procedure:

1. The DCO/MD/DG will issue an order delegating powers of procurement to different categories of officers. The delegate will proceed further for affecting procurement in manner given in the succeeding paragraphs.
2. The procurement process shall be initiated as per delegation of powers according to approval mechanism.
3. Where the procuring powers have not been delegated by the DCO/MD/DG, he shall himself act as chief purchase officer or appoint one of the senior officers to constitute the procurement committee.
4. There shall be two types of procurement committees; namely departmental procurement committees for common procurements and inter-departmental procurement committees for large and complex procurements.

IV. Constitution of Departmental Procurement Committee

The departmental procurement committee shall consist of the following members;

1. As per requirement of procuring agency (EDO/DDO/DO)
2. Indenting Officer
3. Technical officer (if required)

V. Constitution of Inter-Departmental Procurement Committee

The inter-departmental procurement committee shall be constituted for large and complex procurements (above ten million rupees). The committee shall consist of the following

members;

1. EDO (F&P)/Director Finance (convener)
2. EDO/Director of the initiating Department (Secretary)
3. EDO/Director of a department other than initiating Department
4. Technical officer having expertise in the concerned procurement
5. Indenting Officer

VI. Responsibilities of Procurement Committee

Procurement Committee shall be responsible to:

- a. Review and recommend the procurement methodology for approval of the competent authority.
- b. Approve Prequalification and short listing criteria.
- c. Approve description of goods or services sought or Terms of Reference (ToR) for services.
- d. Approve Request for Quotation and technical evaluation criteria.
- e. Opening of Technical and Financial Proposals.
- f. Technical and Financial Evaluation.
- g. Recommendations for the award of contract to the competent authority.

4.3: Preparing Specifications

I. Reference:

PP Rules 2014; Rule 10 Specifications

Rule 10, Specifications

1. A procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favor any single contractor nor put others at a disadvantage.
2. The specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications but if the procuring agency is satisfied that the use of, or a reference to, a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words "or equivalent".
3. The provisions contained in sub-rules (1) and (2) shall not apply to any procurement made by a procuring agency which is a public sector commercial concern on the demand of a private sector client specifying, in writing, a particular brand, model or classification of equipment, machinery or other objects.

II. Remarks:

The initial specifications can be made at the time of approval to initiate the procurement. For complex procurements the specifications can be prepared at the time of preparation of bidding documents in consultation with a technical expert if required.

III. Responsibilities:

A. For Goods & Services: Detailed description for goods and services shall be developed by the initiating office/wing of the department. EDO and the DO (responsible for procurement) shall ensure that all technical specifications and the procurement methodology are in accordance with PPRA Rules and standard Annexure.

B. For Works: Detailed description shall be developed by the initiating office/wing of the department. EDO concerned i.e. (Works and Services) and the DO (Roads/Building/Other) shall ensure that all technical specifications and the procurement methodologies in accordance with PPRA Rules.

IV. Approval Required:

As per approval mechanism

V. Procedure:**A. Specifications for Goods:**

1. Start with the summary description of the requirement e.g. furniture for class rooms.
2. A complete list of the required items should be prepared next e.g. desk for students, teacher's chair & table etc.
3. In case of goods, the description should include all technical specifications; norms and standards; functional guarantees; inspection requirements; etc.
4. Specifications, of required goods, shall be generic and shall not be biased for or against any brand.
5. While preparing specifications the definition of "goods" should be consulted.
6. Prepare the required delivery schedule.

B. Specifications for Services:

1. Start with summary description of the requirement e.g. Janitorial Services
2. In area of services (other than consulting services), requisitions should provide the terms of reference, qualification and experience of service provider required, and any specific deliverables etc.
3. The specifications for services will include: Background information on the project; Objectives of the assignment, Scope of work, Selection criteria, qualifications and performance or other standards.

C. Specifications for Works:

1. Start with a general, summary description of the requirement e.g. construction of a school.
2. Prepare the drawings and specifications for the works.
3. Bill of Quantities shall be prepared which should contain details regarding civil works. All details and quantity of material to be used should be mentioned item wise in Bill of Quantities.
4. Prepare the required completion schedule.
5. Prepare an overall Scope of Works, which will form the complete design and drawings of the work under consideration. While preparing specifications the definition of "works" should be referred.

4.4: Drafting a Bidding Document

I. Reference:

PP Rules 2014; Rule 25 Bidding Documents

Rule 25, Bidding documents.

1. A procuring agency shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid.

2. For competitive bidding, whether open or limited, the bidding documents shall include the following:

- a) Invitation to bid
- b) Instructions to bidders
- c) Form of bid
- d) Form of contract
- e) General or special conditions of contract
- f) Specifications and drawings or performance criteria (where applicable)
- g) List of goods or bill of quantities (where applicable)
- h) Delivery time or completion schedule
- i) Qualification criteria (where applicable)
- j) Bid evaluation criteria
- k) Format of all securities required (where applicable)
- l) details of standards (if any) that are to be used in assessing the quality of goods, works or services specified m) and any other detail not inconsistent with these rules that the procuring agency may deem necessary.

1. Any information that becomes necessary for bidding or for bid evaluation, after the invitation to bid or issue of the bidding documents to the prospective bidders, shall be provided in a timely manner and on equal opportunity basis.

2. Where any change becomes essential in the procurement process, such change shall be made in a manner similar to that of the original advertisement.

3. A procuring agency shall use standard bidding documents as and when notified under the regulations.

5. Until the standard bidding documents are specified under the regulations, a procuring agency may use bidding documents already in use of the procuring agency to the extent they are not inconsistent with these rules.

6. The procuring agency shall, on payment of such fee as the procuring agency may determine keeping in view the cost of printing and provision of the documents, provide a set of bidding documents to the prospective bidders.

II. Remarks:

The preparation of bidding documents shall start with development of specification/description of goods and services/terms of reference. A well drafted bidding document should result in a successful procurement process.

III. Responsibilities:

a. The District Officers in the respective departments of CDGs, Deputy Directors WASA/CDGs shall develop bidding documents.

b. These documents shall be developed in consultation with the requisitioning office/wing/DDO so that their requirements are clearly translated in the bidding documents.

c. The preparation of bidding documents shall start with development of specification/description of goods and services/terms of reference.

d. EDO and the DO (responsible for procurement) shall ensure that all technical specifications and the procurement methodology are in accordance with PPRA Rules.

IV. Approval Required:

Procurement Committee:

DOs/Director WASA/Development Authorities shall convene meeting of the Procurement Committee for approval of Terms of Reference, Evaluation Criteria and Bidding documents.

V. Procedure:

1. Bidding documents already in use of procuring agencies may be retained in their respective usage to the extent they are not inconsistent with PPRA rules and till such time that the standard bidding documents are specified by regulations by PPRA.
2. End-user and technical specialists if required can be consulted, regarding finalisation of the description of requirements for inclusion in the document.
3. Prepare Invitation to Bid and Complete the Bid Data Sheet in the bidding documents with details of the bidding process e.g. time of closing and opening of bids, the address for submission, the evaluation criteria to be applied, and any qualification criteria to be applied.
4. Complete the Special Conditions of Contract included with the bidding documents with the conditions which will apply to the contract e.g. payment terms, delivery/completion period, warranty, liquidated damages.
5. Submit the draft Bidding Document, and related documents to the procurement Committee for approval.
6. If any change in bidding documents becomes essential in the procurement process, such change shall be made in a manner similar to that of the original advertisement.

CHAPTER - 5

ASSESSING ELIGIBILITY AND QUALIFICATION

5.1: Eligibility of Suppliers and Contractors

I. Reference:

PP Rules 2014: Rule 26: Reservation and Preferences

Rule 26 Reservations and Preference.

- 1) A procuring agency shall allow all prospective bidders to participate in procuring procedure without regard to nationality except in cases in which any procuring agency decides to limit such participation to national bidders only or prohibit participation of bidders of some nationalities in accordance with the policy of the Government.
- 2) A procuring agency shall allow for a preference to domestic or national contractor in accordance with the policies of the Government and the magnitude of price preference to be accorded shall be clearly mentioned in the bidding documents under the bid evaluation criteria.

II. Remarks

This SoP provides general rules on the eligibility criteria to be met by suppliers who wish to participate in public procurement. This SoP highlights mandatory eligibility criteria relating to the supplier's compliance with **basic legal requirements**, which will apply to all contracts regardless of type, complexity or value.

Eligibility requirements can be checked at any point in the procurement process, but are normally checked through prequalification. Where no prequalification has been conducted, mandatory eligibility criteria is mentioned in the bidding documents which are normally checked during the preliminary screening part of an evaluation. PC should make sure that mandatory eligibility criteria are mentioned in the bidding documents.

III. Responsibilities:

- a. DO CDG/Director WASAs/DAs are responsible for prescribing eligibility criteria.
- b. PC will assess whether suppliers are eligible, at the appropriate point in the procurement process.

IV. Procedure:

1. Where eligibility criteria are to be set, decide, as part of the procurement planning process, whether the eligibility criteria should be verified through prequalification or through bidding documents. Where only mandatory eligibility criteria are to be verified, this should normally be done through the preliminary screening part of the evaluation.
2. Prepare the eligibility criteria and the documentation required from the supplier as evidence of meeting the criteria.
3. Assess supplier's and contractor's eligibility criteria as part of the assessment of prequalification applications or preliminary screening after opening of bids, as appropriate.
4. While defining the eligibility criteria discriminatory and difficult conditions should be avoided in accordance with PP Rule 34.

5. Disqualify any bidder who is found, to have submitted eligibility or qualification information which is false, fabricated or materially inaccurate.

5.2: Enlistments of Contractors for Procurement of Works

I. Reference:

PP Rules 2014: Rule 2 – 1, (C).

Rule 2-1 (c) `applicant` means a person or firm who seek to be enlisted or to be prequalified or to be shortlisted in response to the advertisement given by the procuring agency.

II. Remarks:

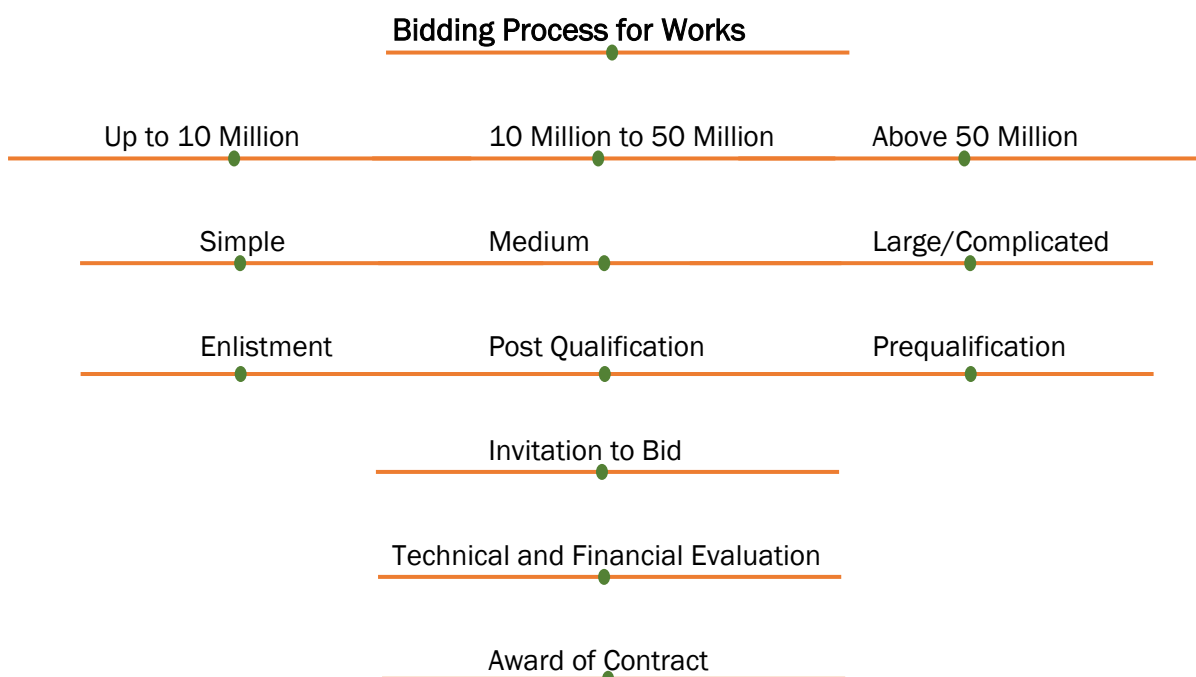
- a. Enlistment shall be done to have a ready list of contractors for smaller works, to reduce time required for verification at the time of bidding.
- b. Any sole proprietorship, partnership or limited company can be enlisted as per predefined criteria. Contractors are not permitted to get enlisted by more than one name.
- c. Any firm/company having been suspended/banned/blacklisted by any government department in the past or convicted from court of law shall not be entitled for enlistment.
- d. CDGs/WASAs/DAs should not give any guarantee for contract award to enlisted contractors unless they go through a standard bidding process and qualify as a lowest bidder.
- e. Contractors shall be bound to submit bid security with filled bidding documents.
- f. CDG/DAs/WASAs should enlist the contractors for smaller works, for medium and large works prequalification and post qualification is a better option as shown in the following table.

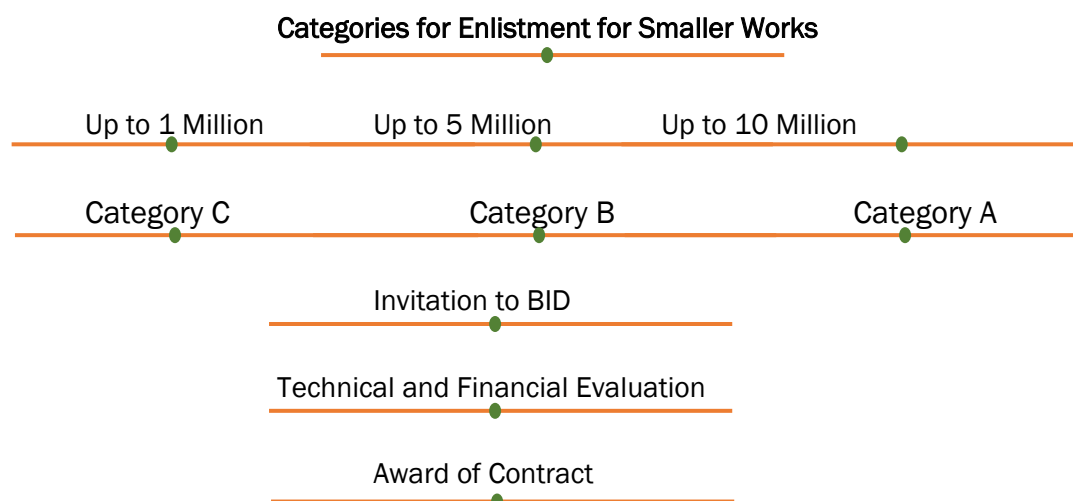
III. Responsibilities:

DO (Roads/Buildings)/Director Engineering shall be responsible for enlistment of the contractors.

IV. Approvals

EDO/Director CDGs/WASA/DAs





V. Procedure:

1. Firms/Companies shall be invited to get enlisted against works up to 10 million.
2. They shall also submit details of Tools & Plants/Machinery, Financial Position and Work Experience along with application to concerned officer.
3. Any incomplete application without relevant documents shall be rejected.
4. If the documents of a contractor are appropriate for enlistment, he shall be issued the enlistment order otherwise regret letter shall be sent to applicant.
5. There shall be a provision of enlistment even after invitation to bid till the time specified in the bidding documents, in order to ensure compliance with PP Rule 4, Principles of Procurement.
6. No enlistment/renewal fee shall be charged from the contractors.

VI. Enlistment Criteria

The Enlistment must take place according to defined criteria to ensure fairness and competitiveness. The following factors could be taken into consideration for development of criteria:

FACTORS	CRITERIA
Experience- General and Specific	Number and size of projects undertaken in number of years
Staff/Personnel	Technical and Professional Staff, Strength of permanent staff members - bifurcation of field staff and office staff (x Number of Civil/Mechanical/Electrical Engineers, depending upon the type of projects)
Special Equipment/Tools and Plants	Highway: Concrete mixers, Cranes, Road Rollers etc. Buildings: Excavator, Concrete vibrator, Shuttering Water Pump
Financial Position	Minimum balance in the last year at the time of application

VII. Post Qualification

1. CDG/WASAs/DAs may resort to post qualification in procurement of works above 10 million to 50 million.
2. Single stage one envelop system should be adopted inviting financial offers and technical offers along with eligibility criteria for post qualification.
3. In addition to other requirement which procuring agency may consider necessary, following should be spelt out clearly.
 - a. Experience on similar works executed during the last three years and details like monetary value, proof of satisfactory completion of works etc.
 - b. Registrations required fulfilling the eligibility criteria.
 - c. Documentary evidence of adequate financial standing.
4. The contractors which do not pass the post-qualification criteria should be declared nonresponsive.

5.3. Prequalification of Suppliers and Contractors

I. Reference:

PP Rules 2014: Rule 16 Prequalification, Rule 17 Prequalification process,

16. Prequalification.-

1. Subject to sub-rule (2), a procuring agency may, prior to floating the tenders or invitation to proposals or offers, engage in prequalification of bidders in case of services, civil works, turnkey projects and also in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms or persons having adequate managerial capacity are invited to submit bids.
2. The procuring agency shall prequalify bidders under sub-rule (1) in case of procurement of goods of one hundred million rupees and above and large consultancy, except where a procuring agency, for reasons to be recorded in writing, dispenses with the requirement of prequalification of bidders.
3. For purposes of the prequalification of bidders, a procuring agency shall take into consideration the following factors: a) qualifications; b) relevant experience and past performance; c) capabilities with respect to personnel, equipment, and plant; d) financial position; e) appropriate managerial capability; f) and any other factor that a procuring agency may deem relevant, not being inconsistent with these rules.
4. The procuring agency shall ensure that the prequalification is based on the capacity of the interested parties to satisfactorily perform the services or works.
5. In case of fast track projects where the time is the essence or where potential consultants are limited or the assignment is of a complex nature, the procuring agency may, after recording reasons and with the approval of Provincial Development Working Party, invite a request for proposals through public notice under Rule 12.

17. Prequalification Process.-

1. The procuring agency engaging in prequalification shall announce, in the prequalification documents, all information required for prequalification including instructions for preparation and submission of the prequalification documents, evaluation criteria, list of documentary

evidence required by contractors to demonstrate their respective qualifications and any other information that the procuring agency deems necessary for prequalification.

2. The procuring agency shall provide a set of prequalification documents to any contractor, on request and subject to payment of such price as the procuring agency may determine to defray the cost on account of printing and provision of the document.

3. The procuring agency shall promptly inform the contractor who has applied for the prequalification whether or not he has been prequalified and shall, on request from the applicant who had applied for prequalification, a list of contractors who have been prequalified.

4. On a request, the procuring agency shall communicate to the contractor who has not been prequalified the reasons for not prequalifying the contractor.

5. Only the prequalified contractors shall be entitled to participate in the subsequent procurement proceedings.

II. Remarks:

PAs shall undertake prequalification of bidders in case of: Services, Civil works, Turnkey projects and Expensive and Technically Complex Equipment.

The procuring agency should also prequalify the bidders in case of procurement of Goods of one hundred million rupees or more and in case of large consultancies. If the procuring agency wants to dispense with the requirement of prequalification of bidders it should do so only after recording its reasons in writing.

Prequalification may be refrained in case of fast track projects where time factor is of great significance or potential consultants are limited or the assignment is of complex nature. The procuring agency may invite request for proposal through public notice under Rule 12 only after recording its reason and seeking approval from provincial development working party.

The purpose of prequalification is to ensure that only technically and financially sound firms having adequate managerial capability should be invited to participate in bidding process. The following factors¹³ shall be taken into consideration for prequalification:

- a. Relevant Experience and Past Performance;
- b. Capabilities with Respect to Personnel, Equipment, and Plant;
- c. Financial Position;
- d. Appropriate Managerial Capability; and
- e. Any other factor that procurement agency may deem relevant.

It is very important for the PAs that they are absolutely clear on the factors and their weight for prequalification in view of the nature of the procurement under consideration. To provide equal opportunity to all the bidders, Procuring Agency must make the following clear, in the prequalification documents: The evaluation criteria; Documents required for evaluation; Information that needs to be submitted and any other evidence which the PA may consider necessary.

III. Responsibilities:

- a. Chairman PC shall ensure that decision for prequalification is recorded in minutes and the evaluation criteria agreed is duly reflected in the minutes;
- b. DOs/Director WASA/Development Authorities shall prepare the prequalification documents. The information and documents should be comprehensive for the bidders to understand. They

¹³ Punjab Procurement Rules 2014: Rule 16 (3) Prequalification

shall follow Rule 17 to ensure that the prequalification documents are complete.

c. DOs/Director WASA/Development Authorities shall make arrangements for advertisement of the prequalification notice.

d. DOs/Director WASA/Development Authorities shall make arrangements for recording each and every application for prequalification that is received. These prequalifications shall be duly recorded in a register; the applications for prequalification shall remain sealed till the last date for submission of prequalification requests;

e. PC shall ensure that only suppliers or contractors who have been prequalified shall be eligible to participate in the bidding process;

f. DOs/Director WASA/Development Authorities shall inform, on a request, to the contractor who was disqualified, about the reason for disqualification.

IV. Approval Required:

The DOs/Director WASA/Development Authorities shall be responsible for convening PC meetings and obtaining approval from PC.

V. Procedure:

1. A prequalification document should be prepared by the DOs/Director WASA/Development authorities according to the kind of procurement i.e. works, services, turnkey project and goods etc.

2. Draft and publish the prequalification notice on PPRA website and/or newspapers whichever is appropriate keeping in view the financial limits stated in Rule 12.

3. Issue prequalification documents to any bidders on request as per Rule 17.

4. Keep a record of people who have received the prequalification documents along with the amount received as a price of prequalification document.

5. Applications should be received till the deadline given in the prequalification documents. Late applications should not be entertained.

6. Open the applications and evaluate them according to the criteria laid down in prequalification document.

7. The prequalification shall be done on Pass/Fail basis.

8. Prepare the list of pre-qualified suppliers and contractors and get it approved by competent authority e.g. EDO/M.D/DG, CDG/WASA/DA.

9. Inform the suppliers and contractors about the results.

10. Declaration of ineligibility. "Any applicant who is found to be involved in corrupt and fraudulent practice will be declared ineligible for prequalification for a specific period as announced by the procuring agency". (PP Rule 20)

11. A copy of such notification shall be provided to the affected person and to PPRA.

5.4: Qualification of Contractors

I. Reference:

PP Rules 2014; Rule 18 Qualification

18. Qualification.–

A procuring agency, at any stage of the procurement proceedings, having credible reasons for, or prima facie evidence of, any defect in the capacity or otherwise of a contractor, whether or not prequalified, may require the contractor to provide such further information concerning the professional, technical, financial, legal or managerial competence as the procuring agency may decide.

II. Remarks:

This SoP explains the criteria for analyzing the capabilities of the suppliers and contractors for the specific procurement task at any stage during the procurement proceeding.

Qualification is usually conducted if the procuring agency finds any evidence of some obvious defect in bidder's capacities (such as its professional, technical, financial, legal or managerial competence), at any stage during procurement proceedings.

Qualification ensures that the successful bidder can maintain its capabilities till the completion of the contract therefore it reduces the likelihood of poor performance under a contract.

III. Responsibilities:

PC shall conduct the qualification if required after laying down the reasons in writing.

IV. Procedure:

1. Identify the successful bidder who has been evaluated as lowest evaluated bidder through the evaluation process.
2. Review and revisit the bidding documents in order to check the details required for qualifications such as evaluation criteria and the documents or evidences required for qualification.
3. Inspect/Investigate the evidences provided by the bidder and analyze it according to the evaluation criteria set in the bidding documents.
4. If any inspections are require to check the qualification of the bidder it should be carried out before the award of the contract.
5. After inspecting the evidences and updating the information from the bidder, the results should be included in the evaluation report.
6. Proceed to present the completed report along with the advice for award of contract to DCO/MD WASA/Dir. Gen DA for approval.

5.5: Disqualification of Contractors

I. Reference:

PP Rules 2014; Rule 19 Disqualification

19. Disqualification.–

The procuring agency shall disqualify a contractor on the ground that he had provided false,

fabricated or materially incorrect information.

II. Remarks:

This SoP explains the procedure for disqualifying the suppliers and contractors for a specific procurement task at any stage during the procurement proceedings.

III. Responsibilities:

Procurement Committee

IV. Procedure:

1. PC shall examine the bidding documents of the bidders after opening of the bid for any false and materially inaccurate or fabricated information regarding their qualification as a supplier or contractor.
2. PC can seek clarifications from the bidders which do not change the substance of the bid.
3. Any bid with major deficiency or material deviation from substance of the bid shall be disqualified.
4. Incomplete bids and Bids without bid security shall be disqualified.

5.6: Blacklisting of Contractors

1. Reference:

PP Rules 2014; Rule 21 Blacklisting

Rule 21. Blacklisting

1. Every procuring agency shall specify a mechanism and manner for purposes of barring a contractor from participating in any procurement process of the procuring agency.
2. Subject to sub-rule (3), if a procuring agency is satisfied that a contractor has acted in a manner detrimental to the public interest or good practices or has consistently failed to perform his obligation under the contract or his performance has not been up to mark or he is found indulging in corrupt or fraudulent practice, the procuring agency may, after affording him an opportunity of hearing and through a notification, debar him from participating in any public procurement process of the procuring agency for such period as the procuring agency may determine in the light of the circumstances of the case.
3. In case a procuring agency issues a notification under sub-rule (2), the procuring agency shall, for reasons to be recorded, inform the Authority to debar the contractor for procurement of all procuring agencies.
4. Before passing any order on any such information under sub-rule (3), the Authority may call for such information or record from the procuring agency and, after affording the aggrieved person an opportunity of hearing, pass such orders as may be deemed necessary.
5. Any person aggrieved by an order under sub-rule (2) may, within thirty days, file a representation before the Authority and the Authority may pass such orders on the representation as it may deem fit.
6. Any person aggrieved by an order under sub-rule (4) may, within thirty days, file a representation before the Chairperson of the Board and the Chairperson may, after affording an opportunity of hearing to the aggrieved person, pass such orders on the representation as may

be necessary.

II. Remarks:

This SoP explains the procedure for barring of contractors from participating in any procurement process of the procuring agency.

III. Responsibilities:

Procurement Committee

IV. Procedure:

1. The procuring agency may, after affording an opportunity of hearing and through a notification, debar a contractor from participating in any public procurement process of the procuring agency for such period as the procuring agency may determine in the light of the circumstances of the case.
2. The procuring agency may debar a contractor on the following grounds;
 - a. The contractor has acted in a manner detrimental to the public interest or good practices.
 - b. The contractor has consistently failed to perform his obligation under the contract.
 - c. His performance has not been up to mark.
 - d. He is found indulging in corrupt or fraudulent practice.
3. The procuring agency shall issue a notification in writing and inform the Authority to debar the contractor or procurement to fall procuring agencies.
4. The Authority Before passing any order may call for such information or record from the procuring agency and, after affording the aggrieved person an opportunity of hearing, pass such orders as may be deemed necessary.
5. Any person aggrieved, may file a representation before the Authority within thirty days, and the Authority may pass such orders on the representation as it may deem fit.
6. Any person aggrieved by the order of the Authority may, within thirty days, file a representation before the Chairperson of the Board and the Chairperson may, after affording an opportunity of hearing to the aggrieved person, pass such orders on their presentation as may be necessary.

CHAPTER – 6

MANAGING THE BIDDING PROCESS

6.1: Publishing an Invitation to Bid

I. Reference:

PP Rules 2014: Rule 12: Methods of Advertisement, Rule 14: Response time

12. Method of advertisement.–

1. Subject to rule 59, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

2. Subject to rule 13, any procurement exceeding two million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.

4. A procuring agency shall ensure that the information posted on the website is complete for purposes for which it has been posted, and such information shall remain available on that website until the closing date for the submission of bids.

Rule 14. Response time.

1. The procuring agency may decide the response time for receipt of bids or proposals (including proposals for prequalification) from the date of publication of an advertisement or notice keeping in view the complexity of the procurement, availability and urgency but, in no circumstances, the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.

2. All advertisements or notices shall expressly mention the response time allowed for the procurement along with the information for collection of bid documents which shall be issued till a given date, allowing sufficient time to complete and submit the bid by the closing date but the time limit shall not apply in case of an emergency procurement.

3. The response time shall be calculated from the date of publication of the advertisement in a newspaper or on the website, whichever is later.

II. Remarks:

The publication of an invitation to bid is required under the Open Competitive Bidding, where no prequalification has been conducted. This SoP also applies to the publication of an Invitation to Prequalification Notice and notices calling for Eols where RFPs are concerned.

Publication of Invitation to Bid have many advantages;

- a. It attracts the wide competition which helps in achieving basic principles of procurement.
- b. It offers an equal opportunity to all prospective bidders.

II. Responsibilities:

DOs/Director WASA/Development Authorities

IV. Approval Required:

The draft advertisement notice should be approved by the EDOs/Directors of CDGs/WASAs/ Development Authorities before it is passed to the PPRA and before it is published in the newspapers.

V. Procedure:

1. If the estimated value of the procurement is over one hundred thousand rupees and up to the limit of two million rupees as specified in Sub-rule (1) of Rule 12 (Methods of Advertisement), the notice shall be published on the PPRA website.
2. These procurement opportunities may also be advertised in at least one national daily newspaper, if the Procuring Agency considers it necessary in public interest.
3. All procurement opportunities over two million rupees should be advertised on the PPRA's website as well as in at least two national daily newspapers having wide circulation, one in English and the other in Urdu.
4. If the procuring agency has its own website it can also post Invitation to Bids on that website as well.
5. The information posted on the website should be complete and shall remain available on that website until the closing date for the submission of bids.
6. Under no circumstances the response time shall be less than fifteen days in case of NCB and thirty days in case of ICB.
7. Response time shall be calculated from the date of first publication of advertisement in newspaper or website, whatever the case may be. In the situation, when the advertisement published in print and electronic/digital media; the response time shall be calculated from the date of advertisement in the newspaper.
8. Deviation from advertisement requirement is acceptable when:
 - a. Proposed requirement is related to national security and any advertisement may jeopardize national security objectives.
 - b. Proposed advertisement is of proprietary in nature and falls in the ambit of intellectual property and available from single source.
9. The invitation to bid can be uploaded on PPRA website by using User ID and Password provided on request for online tender submission by the department itself.
10. Soft copies of bidding documents along with deposit slip can be sent by Post/Courier at the following address;
11. Punjab Procurement Regulatory Authority (PPRA), 2-E, Main Boulevard, Gulshan-e-Ravi, Lahore.
12. Invitation to bid can also be sent by email by attaching bidding documents with file extension "PDF" (Acrobat Reader File) along with deposit slip to email address md.ppra@gmail.com for uploading of tender by PPRA.
13. For international bidding, the invitation to bid can also be published in internationally recognised newspapers, relevant trade journals, the internet, etc.
14. Bidding document should be available at the address given in the invitation to bid immediately after publication date as per PP Rule 23.1.

6.2: Handling Bidder's Clarifications

I. Reference:

PP Rules 2014; Rule 25.3 Bidding Documents

Rule 25 – 3, any information that becomes necessary for bidding or for bid evaluation, after the invitation to bid or issue of the bidding documents to the prospective bidders, shall be provided in a timely manner and on equal opportunity basis.

II. Remarks:

Bidder clarifications are requests from bidders to clarify certain points in the bidding document. The Procuring Agency is required to respond in a formal manner clarifying the point to all the bidders;

III. Responsibilities:

DOs/Director WASA/Development Authorities

IV. Approvals:

DOs/Director WASA/Development Authorities shall finalize the site visit plan and pre bid meeting date (if required) and get its approval from EDO/MD/DG;

V. Time Line:

ACTIVITY	TIME LINE
Bidder's queries after obtaining bidding documents	Should reach PA at least 7 days before the last date of submission of bidding documents
Query sent to respective department for clarification	2 days
Clarification issued by concerned department to all bidders	2 days
Extension in the time of submission of bids (If required)	Notify in the same manner as original advertisement

VI. Procedure:

The protocol for clarification which the Procuring Agency should follow is outlined below:

1. Bidders shall submit all bid related queries in writing to the office as designated in the bidding documents.
2. The bidding documents must mention the number of days before stipulated bid opening by which the bidders could seek clarifications.
3. Bidders shall be asked to contact PA for any query at least seven days before the bid closing date.
4. The official receiving requests for clarifications shall direct the query to the respective section within two working days.
5. All bidders shall be provided the required information on equal opportunity basis within two days by the respective section.
6. Any clarification shall be issued in writing. It will be ensured that the clarification is shared with all the bidders. If required, in accordance with the stipulations of the bidding documents, appropriate time extension shall be given to bidders.
7. In case of an open invitation to bid, any modification or additional information regarding bid, critical for bidding or bid evaluation process, should be notified in the same manner as original advertisement.

6.3: Submission of Bids

I. Reference:

PP Rules 2014; Rule 24 Submission of Bids

Rule 24. Submission of bids

1. A bidder shall submit a bid in a sealed package or packages in such manner that the contents of the bid are fully enclosed and cannot be known until duly opened.

2. A procuring agency shall specify the manner and method of submission and receipt of bids in an unambiguous and clear manner in the bidding documents.

II Annexure:

Annexure F provides checklist for the submission of bids

III. Remarks:

This SoP provides a method for the submission of bids by the bidders, and safe-keeping of bids until the time for opening of bids.

IV. Responsibilities:

The office designated in the bidding documents/advertisements shall make arrangements for receipt of bids. DOs/Director WASA/Development Authorities will make all arrangements for receipt of bids as per Rule 24.

V. Procedure:

The arrangements should be according to the following protocol:

1. The method of submission should be clearly mentioned in the bidding documents.
2. Designate official to receive and record the bids in the receipt register;
3. Ensure that the bids are submitted in a package properly sealed and the contents are not visible.
4. Ensure safe custody of the bids and that they remain sealed in a safe place;
5. Invite all the potential bidders for opening of the bids at defined time and date.

6.4: Bidding Process for Goods and Services

I. Reference:

PP Rules 2014; Rule 23 Open Competitive Bidding

Rule 23. Open competitive bidding.

Subject to rules 24 to 38, the procuring agencies shall engage in open competitive bidding if the cost of procurement is more than the prescribed financial limit.

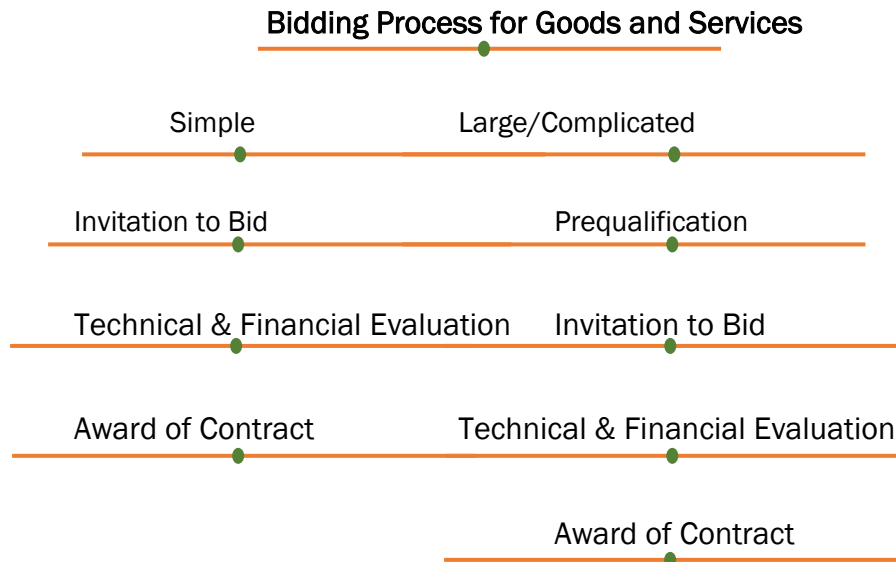
II. Annexure:

Annexure E provides a checklist of bidding process.

I. Remarks:

Bidding Process is arranged by first declaring the time and space location of the place where the bid is to be performed, so that more interested bidders may participate and the most "realistic" price of the commodity may come out. The steps described in the procedure should be adopted in accordance with PPRA rules.

6.4: Bidding Process for Goods and Services



IV. Responsibilities:

- a. DOs/Director WASAs/DG Development Authorities shall ensure attachment of evaluation criteria and other documents along with BDs;
- b. DOs/Director WASAs/DG Development Authorities shall ensure that for competitive bidding (open or limited) BDs include all the sections as specified in Rule 25.2 Bidding Documents (Please Refer 4.4: Drafting a Bidding Documents).

V. Procedure:

Major steps involved for initiating the bidding process are stated below:

1. Bidding document shall be made available at the address mentioned in the advertisement immediately after its publication in print or electronic medium.
2. Where the bidders have been shortlisted after the prequalification, the bidding documents shall be issued to all the prequalified bidders;
3. It shall be ensured that bids shall be received in sealed envelope in a manner that contents are fully enclosed;
4. It shall be ensured that no national discrimination is created; except in cases when it has been decided to limit participation to national bidders only or restrict participation of few states as per the policies of the government. .
5. Value of Bid Security should not exceed 5% of the bid value.

6. Bids are evaluated within stipulated bid validity period. However if any extension shall be considered necessary then all bidders shall be requested to increase their bid validity period; equivalent to original bid validity period.

7. PC can extend deadline for submission of bid, after recording its reason in writing. However, it shall be ensured that the medium announcing extension is similar to original advertisement.

6.5: Bidding Process for Works

I. Reference:

PP Rules 2014; Rule 23 Open Competitive Bidding

Rule 23. Open Competitive Bidding.

Subject to rules 24 to 38, the procuring agencies shall engage in open competitive bidding if the cost of procurement is more than the prescribed financial limit.

II. Remarks:

Bidding Process for works is similar to the bidding process for goods and services. The difference is elaborated in the steps described in the procedure.

III. Responsibilities:

DO/CDG Deputy Director WASAs/DA shall finalize advertisement and shall take approval of procurement method before initiating the bidding process where the prequalification process has not taken place.

DO/CDG Deputy Director WASAs/DA shall prepare BDs and convene meeting of the Procurement Committee for:

- a. Approval of the Design/Specifications
- b. Approval of the Evaluation Criteria;
- c. Approval of the bidding documents.

DO/CDG Deputy Director WASAs/DA shall ensure attachment of evaluation criteria and other documents along with BDs;

IV. Procedure:

Major steps involved for initiating the bidding process are stated below:

1. Bidding document shall be made available at the address mentioned in the advertisement immediately after its publication in print or electronic medium.
2. Where the bidders have been shortlisted after the prequalification the bidding documents shall be issued to all the prequalified bidders.
3. The PAs will continue to use the Standard Bidding Documents that they are currently using till PPRA notifies the standard bidding documents.
4. The DOs/CDG, Director WASA/DA shall do the preparatory work in doing the cost estimates for works. This may require examination/consideration of following data by the technical staff in preparing the estimates:
 - a. Lay out, site and location plan/index map for showing e.g. the alignment of road/lines of main and distribution pipes;
 - b. Detailed drawings including sections of the structures (e.g. longitudinal and cross sections of

road, x-section of stream for bridge, plans of all works including filters, service reservoirs, settling tanks, pumping stations etc.);

c. Soil investigation report including bearing capacity, water table level and qualitative tests;

d. Structural design of all structures (calculations and reinforcement details);

e. Hydraulic Data;

f. Specifications;

g. Market Rates (especially of items not included in the schedule).

5. Bidders shall be asked to contact PA for any query before the stipulated bid opening date. The target date by which queries could be sent should be clearly mentioned in the bidding documents.

6. In case of an open invitation to bid, any modification or additional information regarding bid, critical for bidding or bid evaluation process, should be notified in the same manner as original advertisement.

6.6: Opening of Bids

I. Reference:

PP Rules 2014; Rule 30 Opening of Bids

Rule 30 Opening of bids.–

1. The date for opening of bids and the last date for the submission of bids shall be the same; and, bids shall be opened at the time specified in the bidding documents which shall not be less than thirty minutes after the closing time for the submission of the bids.

2. All bids shall be opened publicly in the presence of the bidders or their representatives who may choose to be present, at the time and place announced prior to the bidding and the procuring agency shall read aloud the unit price as well as the bid amount and shall record the minutes of the bid opening.

3. All bidders in attendance at the time of opening of the bids shall sign an attendance sheet.

4. The bids submitted after the closing time prescribed shall be rejected and returned without being opened.

II. Annexure

Annexure G provides a checklist for opening of bids

III. Remarks:

The public bid opening is a significant stage in the bidding process as:

a. opening bids publicly helps to validate that the bidding procedure is transparent and rises bidder's assurance in the public procurement process;

b. reading out prices should sidestep any disagreements regarding price changes at a later stage; and

c. the recognized process, which coincides with the bid closing, should avoid late bids from being included in the evaluation.

IV. Responsibilities: Chairman Procurement Committee will get signatures of all PC members and the bidders as a proof that the bids were opened in their presence. The Committee Members shall open the seal of the tender box in presence of the bidders.

V. Procedures:

1. CDGs shall ensure that bids are opened at the time specified in the bidding documents.
2. Opening and last date of submission of bid shall be the same and it shall be ensured that all bids are opened publicly at least thirty minutes after the deadline if submission of bids.
3. Bids shall be opened in front of bidders or their representatives, who opt to attend the bid opening meeting.
4. Any bid submitted after the prescribed time shall be rejected and returned without being opened.
5. Before the dead line of the submission of bids, the bidders will be allowed to modify, substitute or withdraw their bids.
6. The envelopes for modification, withdrawal or substitution should reach the procuring agency before the time limit for submission of bids prescribed in the bidding document.
7. Envelopes marked as 'Withdrawn', 'Substituted' or 'Modified' shall be opened first. The bids with withdrawal request shall be returned without opening. The request for substitution or modification shall be entertained and bids shall be substituted or modified as requested.
8. Remaining bids will then be opened one by one.
9. The bid opening proceedings shall be duly recorded; any observations/objections of the bidders shall be duly recorded.
10. The bids with withdrawal request shall be returned unopened to the bidder;
11. Where a substitution has been made the substituted bid will be opened and the original shall be returned unopened.
12. In case of modified bids, both the original and modified bids shall be opened and signed and stamped by the chairman and members of PC.
13. All bids shall be then opened one by one and each bid shall be signed and stamped.
14. The late bids shall be rejected straight away; however, in case there are any missing documents or information from the bid, it shall be pointed out but without pointing to any implication of this.
15. During the bid evaluation process, it shall be ensured that no bidder shall be allowed to alter or modify the bid. However Procuring agency may seek bid clarification without changing substance of Bid.
16. The Chairman of the Procurement Committee shall read aloud and record the following on opening of bids:
 - a. The name of the bidder, single or a Joint Venture of firms;
 - b. The unit price as well as total amount of each bid, and of any alternative bids if they have been permitted;
 - c. Discounts (conditional/unconditional), if any;
 - d. Modifications to the Bid, if any;
 - e. Withdrawal of bids, if any;
 - f. Presence or absence of Bid Security and its amount;
 - g. Alternate bids, if any.
17. Record of bid opening meeting shall be provided to the bidders if they so demand.

6.7: Cancellation of Bidding Process

I. Reference:

PP Rules 2014; Rule 35 Rejection of bids, Rule 36 Re-bidding

Rule 35. Rejection of Bids

1. The procuring agency may reject all bids or proposals at any time prior to the acceptance of a bid or proposal.
2. The procuring agency shall upon request communicate to any bidder, the grounds for its rejection of all bids or proposals, but shall not be required to justify those grounds.
3. The procuring agency shall incur no liability, solely by virtue of its invoking sub-rule (1) towards the bidders.
4. The bidders shall be promptly informed about the rejection of the bids, if any.

Rule 35 Re-Bidding.-

If the procuring agency rejects all the bids under rule 35, it may proceed with the process of fresh bidding but before doing that it shall assess the reasons for rejection and may, if necessary, revise specifications, evaluation criteria or any other condition for bidders.

II. Remarks:

The rejection of bids should be avoided as this leads to waste of time and resources of both the bidders and the procuring agencies. However if it is inevitable to annual the procurement proceeding, all the bids may be cancelled at any stage before the award of contract. Such annulment of bids should be communicated to all the bidders who submitted the bids.

III. Responsibilities:

PC should analyse the reasons of annulment carefully and may revise specifications, evaluation criteria or any other condition for bidders which are necessary before rebidding.

IV. Approval Required:

DCO/MD WASA/Dir Gen DA

V. Procedure:

1. Proper justification is required to cancel the bids and annual the procurement proceeding.
2. Notification of the rejection of all the bids shall be conveyed to all the bidders so that they should not waste their time and resources for the bid.
3. If any bidder, who submitted the bid, inquires about the grounds for rejection, he should be intimated but PA is not required to justify the grounds of rejection of all bids.
4. If the procuring agency rejects all the bids under rule 35, it may proceed with the process of fresh bidding.
5. The procuring agency shall assess the reasons for rejection and may, if necessary, revise specifications, evaluation criteria or any other condition for bidders.
6. Rebidding process should be considered as a fresh procurement process, starting with advertisement of invitation of bid (Rule 36 Rebidding).

CHAPTER – 7

BIDDING PROCEDURE

7.1: Single Stage – One Envelope Procedure

I. Reference:

PP Rules 2014; Rule 38 (1) Procedures for selection of contractors

Rule 38 (1) Save as otherwise provided in these rules, single stage one envelope bidding procedure shall ordinarily be the main open competitive bidding procedure used for the procurement of works and standard goods.

II. Remarks:

Single Stage One Envelope bidding procedure shall ordinarily be the main open competitive bidding procedure used for the procurement of works and standard goods. This method is relevant where the technical requirements have been clearly defined and the bidder only has to demonstrate compliance to those requirements.

III. Responsibilities:

Procurement Committee

IV. Procedure:

1. Each bid shall comprise one single envelope containing, separately, financial proposal and technical proposal.
2. All bids received shall be opened and evaluated by the committee as described in SoP 6.6: Opening of Bids.
3. Technical Evaluation shall be carried out by the PC according to the criteria mentioned in the bidding documents.
4. The financial proposals will be then evaluated which essentially means arithmetical corrections/adjustment.
5. The bidder who has submitted the lowest evaluated bid shall be awarded the contract.

- v. during the technical evaluation no amendments in the technical proposal shall be permitted;
- vi. after the evaluation and approval of the technical proposals, the procuring agency shall open the financial proposals of the technically accepted bids, publically at a time, date and venue announced and communicated to the bidders in advance, within the bid validity period;
- vii. the financial bids found technically non-responsive shall be returned un-opened to the respective bidders;
- viii. and the lowest evaluated bidder shall be awarded the contract.

II. Remarks:

'Single Stage Two Envelope' bidding procedure shall be used where the bids are to be evaluated on both technical and financial grounds and price is taken into account after technical evaluation.

III. Responsibilities:

Procurement Committee

IV. Time Line:

STEPS INVOLVED	TIMELINE	REMARKS
Opening of Technical bids	At least 30 minutes after deadline of submission of bids	Technical bids shall be opened publically
Technical Evaluation	Within 10 days from the last date for receipt of bids	
Clarifications from bidders (if required)	Within 5 days from the date of issuance of letter seeking clarification	
Technical Evaluation (where clarifications have been sought)	Within 10 days from last date of receipt of clarifications	
Opening of Financial bids	Within 5 days after completion of technical evaluation.	Financial bids shall be opened publically
Financial Evaluation	At least 12 days before the expiry of bid validity period	
Announcement of Evaluation Report	At least 10 days before the award of contract	Shall be announced in accordance with PP Rule 35

V. Procedure:

1. The bid shall comprise a single package containing two separate envelopes.
2. Each envelope shall contain separately financial and technical proposal.

3. It shall be clearly marked on envelopes "FINANCIAL PROPOSAL" and "TECHNICAL PROPOSAL" to avoid any confusion while opening the bid.
4. PC shall open publically the technical proposal on a pre-decided date.
5. PC shall evaluate all proposals according to the criteria mentioned in bidding documents.
6. The firms will have to obtain a minimum score (threshold) for qualifying technically. The threshold shall be fixed keeping in view the nature of assignment and the supplier base.
7. The threshold usually ranges from 60 % to 80 %. It must have been communicated in advance to bidders along with the evaluation criteria.
8. In this procedure the bidders shall not be allowed to make amendments in the technical proposal during the technical evaluation process.
9. PC shall publicly open financial proposals of the bidders who qualify technically.
10. All bidders who have qualified shall be invited on the opening of financial proposals.
11. The financial proposals shall be read aloud before those present at the time of opening of financial proposals.
12. Financial proposal of bidders who have not qualified technically shall be returned unopened.
13. The financial bids shall be adjusted for arithmetical corrections.
14. The bid found to be the lowest evaluated shall be accepted.

I. Method for determining the evaluated price of each bid is as follows:

Determine the total bid price, including or excluding particular costs, as indicated in the bidding document e.g. the bidding document may give particular instructions on the inclusion of taxes and duties in the bid price or the exclusion of provisional sums and contingencies.;

- a. Correct any arithmetic errors;
- b. Apply any non-conditional discounts offered by bidders;
- c. Make adjustments for any non-material nonconformities, errors or omissions;
- d. Determine the total evaluated price of each bid.

VII. Procedure for Correction of Arithmetical Errors

Where no specific procedure is stated in the bidding document, the following procedure is applied for correction of arithmetical errors:

- a. if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the PC there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected;
- b. if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
- c. if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to the notes above.

7.3: Two Stage Bidding Procedure

I. Reference:

PP Rules 2014; Rule 38 (2) (b) Procedures for selection of contractors

38- 2 (b) two stage bidding procedure may be adopted in large and complex contracts where technically unequal proposals are likely to be encountered or where the procuring agency is aware of its options in the market but, for a given set of performance requirements, there are two or more equally acceptable technical solutions available to the procuring agency and the bidding procedure shall be:

First stage

i. in the first instance, the bidders shall submit, according to the required specifications, a technical proposal without quoting price;

ii. the technical proposal shall be evaluated in accordance with the specified evaluation criteria and may be discussed with the bidders regarding any deficiencies and unsatisfactory technical features;

iii. after such discussions, all the bidders shall be permitted to revise their respective technical proposals to meet the requirements of the procuring agency;

iv. the procuring agency may revise or modify any aspect of the technical requirements or evaluation criteria, or it may add new requirements or criteria not inconsistent with these rules but any revisions or modifications shall be communicated to all the bidders at the time of invitation to submit final bids, and sufficient time shall be allowed to the bidders to prepare their revised bids but such time shall not be less than fifteen days in the case of national competitive bidding and thirty days in case of international competitive bidding;

v. the bidders unwilling to confirm their respective bids to the procuring agency's technical requirements may withdraw from the bidding without forfeiture of their bid security;

Second Stage

i. the bidders, whose technical proposals or bids have not been rejected and who are willing to conform their bids to the revised technical requirements of the procuring agency, may submit a revised technical proposal along with the financial proposal;

ii. the fresh and revised technical proposals and the financial proposals shall be opened at a time, date and venue announced and communicated to the bidders in advance but in setting the date for the submission of the revised technical proposals and financial proposals, a procuring agency shall allow sufficient time to the bidders to incorporate the agreed changes in the technical proposal and prepare their financial proposals accordingly; and

iii. the revised technical proposal and the financial proposal shall be evaluated in the manner prescribed above and the lowest evaluated bid shall be accepted;

II. Remarks:

'Two Stage Bidding Procedure' shall be adopted in large and complex contracts where technically unequal proposals are likely to be encountered or where the procuring agency is aware of its options in the market but, for a given set of performance requirements, there are two or more equally acceptable technical solutions available to the procuring agency.

III. Responsibilities:

Procurement Committee

IV. Procedure:

First Stage

1. In the First stage the bidders shall first submit, according to the required specifications, a technical proposal without price.
2. Procurement Committee will evaluate the technical proposal as per the criteria indicated in the bidding documents.
3. PC may discuss with the bidders regarding any deficiencies and unsatisfactory technical features.
4. The bidders, whose technical proposals or bids have not been rejected and who are willing to confirm their bids to the revised technical requirements of the procuring agency, shall be invited to submit a revised technical proposal along with the financial proposal.
5. PC may revise, delete, modify or add any aspect of the technical requirements or evaluation criteria, or it may add new requirements or criteria not inconsistent with these rules.
6. Such modifications shall be clearly subject to PPRA Rules which state that: "Provided further that such allowance of time shall not be less than fifteen days in the case of national competitive bidding and thirty days in the case of international competitive bidding."
7. Bidders not interested in submitting revised proposals shall be allowed to withdraw. Their bid security shall not be forfeited.

Second Stage

1. In the Second stage, bidders who agree to submit revised technical proposal shall be invited to submit a revised technical proposal along with the financial proposal.
2. Technical and Financial proposals shall be opened in presence of the bidders.
3. The technical Proposal shall be evaluated as per the criteria.
4. Financial evaluation is done to the extent of arithmetical corrections only. The procedure for corrections has been outlined earlier in SoP 15.
5. The bid found to be the lowest evaluated bid shall be accepted.

7.4: Two Stage - Two Envelope Bidding Procedure

I. Reference:

PP Rules 2014; Rule 38 (2) (c) Procedures for selection of contractors

Rule 38 (2) (c) Two stage two envelope bidding: Two stage two envelope bidding method shall be used for procurement where alternative technical proposals are possible, such as certain types of machinery or equipment or manufacturing plant and the procedure shall be:

First stage (i) the bid shall comprise a single package comprising two separate envelopes containing the financial proposal and the technical proposal; (ii) the envelopes shall be marked as "Financial Proposal" and "Technical Proposal"; (iii) in the first instance, the envelope marked "Technical Proposal" shall be opened and the envelope marked as "Financial Proposal" shall be retained unopened in the custody of the procuring agency; (iv) the technical proposals shall be discussed with the bidders with reference to the procuring agency's technical requirements; (v) those bidders willing to meet the requirements of the procuring agency shall be allowed to revise

their technical proposals following these discussions; and (vi) bidders not willing to conform to the technical proposal as per revised requirements of the procuring agency shall be allowed to withdraw their respective bids without forfeiture of their bid security;

Second stage (i) after agreement between the procuring agency and the bidders on the technical requirements, bidders who are willing to conform to the revised technical specifications and whose bids have not already been rejected shall submit a revised technical proposal and supplementary financial proposal, according to the technical requirement;

(ii) the revised technical proposal along with the original financial proposal and supplementary financial proposal shall be opened at a date, time and venue announced in advance by the procuring agency: Provided that in setting the date for the submission of the revised technical proposals and supplementary price proposals a procuring agency shall allow sufficient time to the bidders to incorporate the agreed changes in the technical proposal and to prepare the required supplementary financial proposal; and (iii) the procuring agency shall evaluate the whole proposal in accordance with the evaluation criteria and the lowest evaluated bid shall be accepted.

II. Remarks:

Two stage two envelope bidding method shall be used for procurement where alternative technical proposals are possible, such as certain type of machinery or equipment or manufacturing plant.

III. Responsibilities:

Procurement Committee

IV. Procedure:

1. In the First stage technical and financial proposals shall be submitted in two separate envelopes, enclosed in a single sealed package.
2. The technical proposal shall be opened and discussed with the bidders with reference to specific technical requirements.
3. Procurement Committee will evaluate the technical proposal as per the criteria indicated in the bidding documents.
4. PC may discuss with the bidders regarding any deficiencies and unsatisfactory technical features
5. The bidders, whose technical proposals or bids have not been rejected and who are willing to confirm their bids to the revised technical requirements of the procuring agency, shall be invited to submit a revised technical proposal along with the financial proposal;
6. PC may revise, delete, modify or add any aspect of the technical requirements or evaluation criteria, or it may add new requirements or criteria not inconsistent with these rules.
7. In the Second stage after agreement between the procuring agency and the bidders on the technical requirements, bidders who are willing to conform to the revised technical specifications and whose bids have not already been rejected shall submit a revised technical proposal and supplementary financial proposal, according to the technical requirement.
8. The revised technical proposal along with the original financial proposal and supplementary financial proposal shall be opened at a date, time and venue announced in advance by the procuring agency.
9. The procuring agency shall evaluate the whole proposal in accordance with the evaluation criteria and the bid found to be the lowest evaluated bid shall be accepted.

CHAPTER - 8

EVALUATION PROCESS AND COMPLAINTS OF BIDDERS

8.1: Evaluation of Bid for Goods and Services

I. Reference:

PP Rules 2014; Rule 31 Evaluation criteria, Rule 32 Evaluation of bids

31. Evaluation Criteria.

(1) A procuring agency shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated and such evaluation criteria shall form an integral part of the bidding documents.

(2) Failure to provide for an unambiguous evaluation criteria in the bidding documents shall amount to misprocurement.

32. Evaluation of Bids.

(1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding document.

(2) For purposes of comparison of the bids quoted in different currencies, the price shall be converted into a single currency specified in the bidding documents and the rate of exchange shall be the selling rate, prevailing on the date of opening of bids specified in the bidding documents, as notified by the State Bank of Pakistan on that day.

(3) A bid once opened in accordance with the prescribed procedure shall be subject to only those rules, regulations and policies that are in force at the time of issue of notice for invitation of bids.

II. Annexure:

Annexure H, I and J prescribe templates for preliminary screening, technical and financial evaluation

III. Remarks:

The purpose of evaluation is to empirically measure and compare all bids received, using a pre-defined approach and criteria, to determine the successful bidder to whom a contract should be awarded. A well conducted evaluation should warrant that:

- a. That all qualified bidders have an equal prospect of winning contracts
- b. The procuring agency acquires the best value of money
- c. The goods, works or services purchased under the contract are of suitable quality

IV. Time Line:

STEPS IN TECHNICAL AND FINANCIAL EVALUATION	TIMELINE	RESPONSIBILITY
Technical Evaluation	Ten days from the last date for receipt of bids	PC
Clarifications from bidders (if required)	3-5 days from the date of issuance of letter seeking clarification	PC
Technical Evaluation (where clarifications have been sought)	10 days from last date of receipt of clarifications	PC
Financial Evaluation	5 days after completion of technical evaluation	PC

V. Responsibilities:

Technical evaluation criteria will be prepared by the DOs/Directors of respective CDG/WASA/DA. The criteria should be objective and clear to ensure value for money and shall be based upon the following factors:

- a. General Experience
- b. Specific experience e.g. experience in supply of quoted goods/services
- c. Credibility & Certification (for example in case of medicines)
- d. Financial Status - (Statements for the last three years)
- e. Technical Specifications
- f. Any other factor like production capacity etc.

PC shall ensure evaluation of bids in accordance with the evaluation criteria mentioned in the bidding documents. To develop uniformity among quoted rates, price shall be converted into a single currency. Weight age of each factor will vary depending upon the type of goods/services being procured.

VI. Procedure of Technical Evaluation:

1. PC shall technically evaluate the bids on the basis of criteria shared earlier with all the bidders. Evaluation criteria should be clear, objective and understandable and bidders scoring above the threshold limit shall be declared technically qualified.
2. PC shall finalize its technical evaluation report within ten days of the receipt of bids.
3. DO/Section Heads WASAs/Director CDGDA will seek in writing and dispatch it through courier in case the Committee requires any post qualification clarification (provided that this clarification does not have any bearing on the bid itself).
4. PC may give three to five working days to bidder for response.
5. If no response is received within this time period the Committee will conclude the evaluation based on the available information within five working days from the last date of submission of clarifications.
6. At the time of opening of Technical proposals, the DO/Section Heads WASAs/Director CDGDA

shall ensure that goods and brand names/models shall be read aloud as quoted by each bidder for committee members and Bidders.

VII. Procedure of Financial Evaluation

1. PC will financially evaluate bidders who have been technically qualified. The financial evaluation is only restricted to arithmetical corrections so that all bidders have a level playing field or to confirm that the proposal correctly reflects the required number of items etc.
2. PC will make efforts to conclude technical evaluation within 10 day from receipt of bids. The DOs/Director WASA/CDG Development Authorities or officer responsible for procurement shall ensure timely convening of meeting of the Procurement Committee.
3. Report for technical evaluation shall be prepared by the DOs/Director WASA/CDG Development Authorities;
4. Financial proposals of the technically qualified bidders shall be opened on the specified date and time. All the technically qualified bidders shall be invited for opening of the financial proposals.
5. DOs/Director WASA/CDG Development Authorities shall ensure that unit price for each item and overall bid amount shall be read aloud to avoid any confusion for committee members and Bidders.
6. DOs/Director WASA/CDG Development Authorities shall prepare results of the evaluation, minutes of the meeting and get it signed by Committee members.

8.2: Evaluation of Bid for Works

I. Reference:

PP Rules 2014; Rule 31 Evaluation criteria, Rule 32 Evaluation of bids

31. Evaluation Criteria.–

1. A procuring agency shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated and such evaluation criteria shall form an integral part of the bidding documents.
2. Failure to provide for an unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.

32. Evaluation of bids.–

1. All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding document.
2. For purposes of comparison of the bids quoted in different currencies, the price shall be converted into a single currency specified in the bidding documents and the rate of exchange shall be the selling rate, prevailing on the date of opening of bids specified in the bidding documents, as notified by the State Bank of Pakistan on that day.
3. A bid once opened in accordance with the prescribed procedure shall be subject to only those rules, regulations and policies that are in force at the time of issue of notice for invitation of bids.

II. Annexure:

Annexure H, I and J prescribe templates for preliminary screening, technical and financial evaluation

III. Remarks:

The purpose of evaluation is to empirically measure and compare all bids received, using a pre-defined approach and criteria, to determine the successful bidder to whom a contract should be awarded. A well conducted evaluation should warrant that:

- i. That all qualified bidders have an equal prospect of winning contracts ;
- ii. The procuring agency acquires the best value of money;
- iii. The goods, works or services purchased under the contract are of suitable quality.

IV. Time Line:

STEPS IN TECHNICAL AND FINANCIAL EVALUATION	TIMELINE	RESPONSIBILITY
Technical Evaluation	Ten days from the last date for receipt of bids	PC
Clarifications from bidders (if required)	3-5 days from the date of issuance of letter seeking clarification	PC
Technical Evaluation (where clarifications have been sought)	5 days from last date of receipt of clarifications	PC
Financial Evaluation	5 days after completion of technical evaluation	PC

V. Responsibilities:

Technical evaluation criteria will be prepared by the DO/Director WASAs/Director CDGDA of respective PAs in consultation with the requisitioning wing/office and shall be finally approved by the PC. The criteria should be objective and clear to ensure value for money and shall be based upon the following factors:

- a. General Experience
- b. Specific experience e.g. experience in similar type of works
- c. Credibility & Certification
- d. Financial Status - (Statements for the last three years)
- e. Technical Staff
- f. Any other factor like production capacity etc.

VI. Procedure of Technical Evaluation:

1. The technical evaluation of works will be done as per the indicated evaluation criteria but will essentially mean assessment of compliance of the proposal to the desired specifications &

description of work.

2. PC shall evaluate bids in accordance with the technical specifications and BoQ, mentioned in the bidding documents.

3. During the bid evaluation process, it shall be ensured that no bidder shall be allowed to alter or modify his bid. However PC may seek bid clarification without changing substance of Bid.

4. The following factors shall be taken into consideration while declaring the bid non responsive during technical evaluation:

a. The proposal is materially and substantially different from or compliant to the Conditions/Specifications of Bidding Documents.

b. It indicates that material to be supplied does not meet/matches the specifications requirements.

c. It does not comply with the performance requirements of supplies specified in the bidding documents.

VII. Procedure of Financial Evaluation:

1. For financial evaluation prices shall be converted into a single currency to develop uniformity among quoted rates.

2. Financial evaluation essentially means correction of Arithmetical Errors. The procedure for arithmetical corrections is reproduced below:

3. Where no specific procedure is stated in the RFP/bidding document, the following procedure is applied for correction of arithmetical errors:

a. if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the evaluator(s) there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected;

b. if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and

c. if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to the notes above.

4. The bids shall then be financially evaluated. Bidders should be notified in writing of any arithmetic corrections made and they are required to agree the corrections in writing. The contractor whose bid is found to be the lowest after the adjustment/arithmetical corrections shall be awarded the contract.

8.3: Announcement of Evaluation Reports

I. Reference:

PP Rules 2014; Rule 37: Announcement of Evaluation Reports.

37. Announcement of evaluation reports.–

A procuring agency shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days prior to the award of procurement contract.

II. Annexure:

Annexure K prescribe the template for announcement of evaluation report

III. Remarks:

The best way to avoid the complaints of bidders is to strictly follow the laid down procedures, so that no bidder can claim that other suppliers have been unfairly favored in the bidding process.

It is therefore essential to provide a clearly defined process for dealing with complaints of bidders, so that the necessary procedures can be initiated as soon as a complaint is launched.

IV. Responsibilities:

Once the decision of the PC has been communicated to the concerned procurement wing with the bid, the procurement wing will publish/announce the Evaluation Report in accordance with Rule 35 of PP Rules 2009 (Amended).

V. Procedure:

The announcement will include the following information:

1. The Name of the Procuring Agency and its contact address, telephone number and email address (if available), and the name of a contact person with his direct line telephone number, if available;
2. The Procurement Reference Number;
3. A brief statement of what the procurement concerns;
4. The date of the original advertisement on the PPRA website;
5. The PPRA's Reference Number for the original posting;
6. Basis for acceptance or rejection;
7. Contract price should also be indicated;
8. Should be signed by the authorized officer.
9. The Number of Bids declared non-responsive at the preliminary evaluation stage, and the reasons why those bids were non-responsive (did not meet mandatory legibility criteria, did not include Bid Security in the correct format, for the specified amount, or with the required validity, etc.);
10. The Number of Bids evaluated at the technical evaluation and the names of those bidders;
11. The Number of bids declared technically responsive and which went on to the financial evaluation, and the names of those bidders;
12. The names and ranking of the bidders in the financial evaluation, together with the prices quoted and the name of the selected lowest evaluated bidder
13. This Evaluation Report will then be delivered to the bidders as well as the PPRA for posting on the PPRA website.

8.4: Redressal of Grievances and Settlement of Disputes

I. Reference:

PP Rules 2014; Rule 67 Redressal of Grievances by the procuring agency

II. Remarks:

Grievances from suppliers are unavoidable. One of the resolves of an openly defined public procurement process with uniform processes for every step from procurement advertising to receipt and opening of bids to evaluation and contract award is to minimize the chances of complaints. Unfortunately, there will always be bidders who raise frivolous or groundless complaints. Justice requires that all complaints should be scrutinized. A process of Redressal of Grievances and Settlement of Disputes should be followed as prescribed in PP Rule 67.

III. Time Line:

STEPS INVOLVED IN TECHNICAL & FINANCIAL EVALUATION	TIMELINE	RESPONSIBILITY
Announcement of evaluation report	10 days prior to the award of contract	PC
Acceptance of request for redressal of grievances	Within 15 days after the announcement of evaluation report	Redressal of grievances committee
Decision of redressal committee	Within 15 days after the receipt of complaint	Redressal of grievances committee

IV. Responsibilities:

CDGs shall develop system for grievance redressal. Any complaints on procurement process will be addressed to the Head of Respective Procuring Agency.

A Grievance Redressal Committee/Departmental Complaint Committee shall be notified by the respective departmental heads/EDOs/MDs WASAs and DGs DAs.

The Committee once notified will stay in place unless a subsequent order revokes or makes a change in its constitution.

V. Procedure:

1. The committee will have the mandate to make a full probe into the contents of complaint with powers to summon/requisition any documents and persons which could be of assistance to the committee.
2. Bidders not satisfied with the procurement process may lodge a complaint not later than 15 days after announcement of bid evaluation report
3. The DO/MD/DG office shall receive complaints within fifteen days of making the bid evaluation report public.

4. On receipt of complaint the EDOs/MDs/DGs concerned shall ensure that proceedings are initiated within three days. .
5. The Committee shall decide upon complaint within fifteen or less if so directed by the DCO/ head of department/MD WASA/Dir. Gen City Development Authorities, the number of days shall be calculated from the date the complaint was received.
6. The Departmental Complaint Committee shall investigate the matter and share the finding with the complainant, under intimation to DCO, within 15 days of the receipt of complaint.
7. The procurement process shall not be suspended during the proceedings of the Committee.

CHAPTER - 9

CONTRACT MANAGEMENT

9.1: Acceptance of Bid and Awarding a Contract

I. Reference:

PP Rules 2014; Rule 55 Acceptance of bids, Rule 63 Commencement to procurement contract

55. Acceptance of bids. Subject to these rules, the bidder with the lowest evaluated bid, if not in conflict with any other law, shall be awarded the procurement contract within the original or extended bid validity period.

63. Commencement of procurement contract.

A procurement contract shall come into force:

a. where no formal signing of a contract is required, from the date the notice of the acceptance of the bid or purchase order has been given to the bidder whose bid has been accepted and such notice of acceptance or purchase order shall be issued within a reasonable time; or

b. where the procuring agency requires signing of a written contract, from the date on which the signatures of both the procuring agency and the successful bidder are affixed to the written contract and such affixing of signatures shall take place within a reasonable time; and

c. where the coming into force of a contract is contingent upon fulfillment of a certain condition or conditions, the contract shall take effect from the date whereon such fulfillment takes place.

II. Annexure:

Annexure L provides a template for proposed contract award

III. Remarks:

Before expiry of the bid validity period, the award of contract to the bidder who submitted the lowest evaluated bid shall be communicated accordingly. Contract Management starts by putting together a contract which truly represents the type of procurement required and understanding between the contractor and PA on supporting arrangements and payment mechanism. The PA should understand that it is the contract which will remain the governing document during contract implementation and/or in case of any mediation or arbitration between the two parties. The procuring agencies shall provide for a method of arbitration in the procurement contract, to settle the disputes between the parties by mediation or arbitration¹⁴.

It is important that whatever has been agreed between the two parties is put in writing and made part of the contract. It defines the goods, works or services to be provided, the price to be paid for the goods, works or services and establishes the rights and obligations of each party.

IV. Responsibilities:

The DO/Director WASA/Directors CDGDA is responsible for putting together the necessary documents, seek approvals where required and finally getting the contract signed from the Authorized Officer. He will also be responsible for making the Evaluation Report published/announced before the contract is signed.

¹⁴ PP Rules 2014:Rule 68 Arbitration

V. Approval Required:

DCO/MD WASA/Dir Gen DA

VI. Procedure:

1. CDGs shall award contract to the lowest evaluated bidder, if not in conflict with any other law, rules and regulations of Government of the Punjab.
2. PC will decide where performance guarantee is required and in such a case the requirement will be clearly expressed in bidding documents. However, the performance guarantee shall not exceed ten percent of the contract amount.
3. CDGs shall ensure that there shall be no negotiation with the lowest evaluated bidder or with any other bidder for reduction of prices or for price matching.
4. CDGs shall keep all the information confidential, regarding bid evaluation, until the time of announcement of evaluation report according to the Rule 37 of Punjab Procurement Rules.
5. Procurement contract shall come into force after formal acceptance of bid and issuance of work order.
6. In case of requirement of written signature by CDGs; contract shall come into force after contract being signed by PA and successful bidder. Such affixation of signature shall take place within reasonable time frame, not exceeding 30 days.
7. CDGs shall make prompt payment to suppliers and contractors against their running bills within time frame stipulated in the contract; not exceeding 30 days.
8. The DOs/CDGs, Director WASA, Director DAs will ensure that:
 - a. The lowest evaluated bidder has been communicated about the award of contract before the expiry of the bid validity period;
 - b. All the necessary documents are in place;
 - c. The deliverables are in line with the terms of reference/description/specification and is also in line with what the bidder has proposed or what has been finally agreed with him;
 - d. Implementation Plan which includes milestones, timelines, deliverables and payment schedule is made part of the contract;
 - e. The authorized signatory for the procuring agency should sign all copies of the contract;
 - f. Signed copies are sent to the supplier/contractor for signatures.

9.2: Managing a Contract

I. Reference:

PP Rules 2014; Rule 63 Commencement of procurement contract, Rule 64 Closing of contract

63. Commencement of procurement contract.

A procurement contract shall come into force:

- a. where no formal signing of a contract is required, from the date the notice of the acceptance of the bid or purchase order has been given to the bidder whose bid has been accepted and such

notice of acceptance or purchase order shall be issued within a reasonable time; or

b. where the procuring agency requires signing of a written contract, from the date on which the signatures of both the procuring agency and the successful bidder are affixed to the written contract and such affixing of signatures shall take place within a reasonable time; and

c. where the coming into force of a contract is contingent upon fulfillment of a certain condition or conditions, the contract shall take effect from the date whereon such fulfillment takes place.

Closing of contract.–

1. Except for defect liability by the contractor, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of overall delivery certificate or taking over certificate which shall be issued within thirty days of final taking over of goods or receiving the deliverables or completion of works enabling the contractor to submit final bill.

2. In case of defect liability, defect liability certificate shall be issued within thirty days of the expiry of the said period enabling the contractor to submit the final bill, except for unsettled claims, which shall be settled through resolution of dispute mechanism provided in the contract.

II. Remarks:

Special and General Conditions of a contract along with the description of requirements for the goods, works or services steer the contract management process. Contract management requires effective management of both technical and operational aspects. Technical aspects require that a technical resource within the PA is assigned the task for quality assurance and to ensure that the deliverables are in accordance with the agreement between the PA and the contractor.

III. Responsibilities:

Day-to-day contract administration should preferably be assigned to an end user or technical expert. For operational purposes the officer designated by the PA, who will be at least an officer of grade 17, shall be responsible for managing the contract. The said officer will ensure that the terms and conditions are followed by both the parties and payments are made according to the laid down schedule.

IV. Approval Required:

DCO/MD WASA/Dir. Gen DA

V. Procedure:

The following points should be noted during the administration of a contract;

1. That the performance of the contractor is in accordance with the terms and conditions
2. Both the parties abide by agreed obligations and duties under the contract;
3. Remedial or preventive action is taken when problems arise or are foreseen.
4. The contract has been signed by both the parties and that the contract is placed at a safe place;
5. Performance security or advance payment security is received;
6. Any advance payments or counterpart facilities, if committed, are so provided by the PA.
7. Monitor the performance of both parties against the contract implementation plan;
8. All deliveries, targets or deliverables are completed by the supplier.

9. Payments must be approved in accordance with the procuring agency's finance and accounting procedures.
10. Check all payment documentation and authorize payments, using the procuring agency's normal accounting and disbursement procedures.
11. Record of all payments and invoices should be maintained.
12. All communication of any significance between the two contractual parties should be in writing.
13. Record of such communication should be duly maintained.
14. Also all delivery notes, progress reports and other deliverables and contract variations shall be duly maintained.

9.3: Contract Amendment

I. Reference:

PP Rules 2014; No reference

II. Remarks:

Any change in the contractual terms which may mean change in scope of work, change in the quantum or schedule of payment, changes in the timeline should be done duly through a contract amendment. This is the only way to make any changes which has legal value.

III. Responsibilities:

The need for contract amendment may come from the PA or the supplier/contractor. Within a PA it can either come from the technical expert assigned to take care of the technical aspects or from the contract manager due to certain operational aspects. In either of the case the in-charge technical and operational officers will coordinate, ideally a written note shared on the proposed change. In case of an agreement between the two it will be communicated to the supplier/contractor.

IV. Approval Required:

DCO/MD WASA/Dir. Gen DA

V. Procedure:

1. Technical expert or contract manager will identify the need to amend the contract.
2. Such amendment can be discussed with the supplier or contractor if necessary.
3. If amendment is required and both of them agree, then the change or amendment contract is issued.
4. If the amended contract requires additional funds then the approval such as financial approval shall be taken from the the DCO/MD WASA/Dir Gen DA.
5. The PA's authorized person shall sign all the copies of the contract amendment.
6. These signed copies shall be sent to the contractor or the supplier for his signatures along with the covering letter which will include the instruction to sign all the copies and he should retain one copy for his record and send rest of the copies back to the PA.
7. The amendment contract can increase or decrease the value of the procured goods, works or services. Such increase or decrease shall be maintained on the register for record, and accordingly the monthly procurement report will also be amended.

8. All the amendments regards finance, specifications/descriptions shall accorded carefully before issuing the amended notes

9.4: Termination of Contract

I. Reference:

PP Rules 2014; No Reference

II. Remarks:

Contracts contain a provision for termination, though it should be exercised with caution and restraint. Contracts could be terminated in the following cases:

- a. Performance of the contractor/supplier/consultant is consistently poor or there seems no chance of an improvement;
- b. Corrupt or fraudulent practices of the contractor;
- c. Force Majeure for example termination of aid, funding, natural disasters etc.

III. Responsibilities:

Contract Manager.

IV. Approval Required:

DCO/MD WASA/Dir. Gen DA

V. Procedure:

1. Termination of contract needs identification or justification.
2. Check all the terms of contract document regarding termination of a contract.
3. Choose from the grounds of termination, mentioned in the contract document, which would provide proper justification to the PA to terminate a contract. It is advisable to seek legal advice before taking such action of termination.
4. Estimation of the money, which shall be given to the supplier after the termination of a contract.
5. Take any follow-up action required, including making any payments due to the supplier under the contract and referring any default or corrupt practices by the supplier to the CA.
6. Termination notice shall be prepared which shall include the grounds for termination of a contract.
7. Proper approval and justification for termination shall be taken from CA and he shall be informed of the cost which would be paid to the bidder after terminating a contract.
8. Now issue the termination notice and make sure it is received by the supplier.
9. In order to terminate the contract clearance of the dues of the supplier, or any corrupt practices by the supplier shall be communicated to the DCO.

9.5: Record Maintenance and Freedom of Information

I. Reference:

PP Rules 2014; Rule 65 Record of procurement proceedings; Rule 66 Public access and transparency

65. Record of procurement.-

1. A procuring agency shall maintain a record of procurement along with all associated documents for a minimum period of five years.
2. Such maintenance of record shall be subject to the regulations framed in this regard from time to time.

66. Public access and transparency.-

1. As soon as a contract has been awarded, the procuring agency shall make all documents related to the evaluation of the bid and award of contract public.
2. Where the disclosure of any information related to the award of a contract is of proprietary nature or where the procuring agency is convinced that such disclosure shall be against the public interest, it may withhold only such information from public disclosure subject to the prior approval of the Authority.

II. Remarks:

All procuring agencies shall maintain a record of their respective procurement proceedings along with all associated documentation for a minimum period of five years. These documents shall be placed in an orderly manner to assist for audits and reviews. Contract information will be promptly recorded and contract rosters will be maintained.

III. Responsibilities:

DOs/Section Heads of respective PA shall be responsible for maintenance of record of all tenders, their respective procurement proceedings along with associated documentation for a period of five years; He/She shall allocate space and designate an official responsible for safety of the record

IV. Approval Required:

DCO/MD WASA/Dir Gen DA

V. Procedure:

1. The official responsible for maintenance of record shall record all key transactions e.g. request for prequalification and bids received.
2. Registers shall also record all incoming and outgoing correspondence relating to procurement;
3. All procurement record which includes record of the proceedings and record of procurement documents (other than BOQ rates) shall be retained for at least five years.
4. Complete procurement documentation for each contract which shall include documents relating to the following:
 - a. Advertisement
 - b. Enlistment
 - c. Prequalification documents
 - d. Attendance sheets for site visit in case of works
 - e. Bidding documents

- f. Bids Received
- g. Bid Evaluations
- h. Minutes of meetings of Procurement/Consultant Selection Committee Approvals
- i. Letter of Acceptance
- j. Minutes of Contract Negotiations, in case of consulting assignments
- k. Signed Contract Agreements
- l. Performance guarantees
- m. Warranties
- n. Invoices along with required documents (Airway Bills/ Bill of Entries, Taxation Documents, etc.)
- o. Inspection Reports
- p. Billing/payment record
- q. Any other document relevant to procurement

VI. Public Access:

After awarding contract, concerned EDOs/MDs/DGs shall ensure at their own level or from their subordinate offices that the following documents are made public related to evaluation of bid and award of contract:

- a. name of all bidders who submitted a bid;
- b. bid prices as read out at bid opening;
- c. name and evaluated prices of all bids that had been evaluated;
- d. name of bidders that were disqualified and the reasons for their disqualification; and
- e. name of the bidder recommended for award and reason for recommendation, price, duration and summary scope of the contract.

CHAPTER – 10

ALTERNATE METHODS OF PROCUREMENT

10.1: Petty Purchases

I. Reference:

PP Rules 2014; Rule 59: Alternative methods of procurements.

Sub-section (a) Petty Purchases

59. Alternative methods of procurements

a. petty purchases: a procuring agency may provide for petty purchases where the object of the procurement is below the financial limit of fifty thousand rupees and such procurement shall be exempted from the requirements of bidding or quotation of prices; the procuring agency shall, however, ensure that procurement of petty purchases is in conformity with the principles of procurement;

I. Remarks:

PA will make petty purchases if procurement is below the financial limit of fifty thousand rupees. Due to high cost of managing these inquiries, bidding requirements or quotation of prices shall not apply on these levels of purchases.

II. Responsibilities:

Petty purchases shall be made DDOs/DO according to the authorization and delegation of financial powers.

III. Procedure:

1. Identify the demand.
2. Prepare the description of the goods, words or services required.
3. A detailed description of the demand is not required, given the low value; it is just to ensure that PA procures the item that was demanded.
4. Petty purchase procedure must be followed for such demand and approval must be taken from financial authority or CA.
5. Invoice or cash sale shall be provided by the suppliers.

Demanded goods can be collected and the purchase can be done after receiving cash sale or invoice from the supplier to the authority of petty cash holder or account department as required.

10.2: Petty Purchases through Quotation

I. Reference:

PP Rules 2014; Rule 59: Alternative methods of procurements,

Sub-section (b) *Petty purchases through quotation*

59. (b) petty purchases through quotation: a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement

II. Remarks:

PA shall engage in this method of procurement only if the cost of object of procurement is above fifty thousand rupees and below the prescribed limit of one hundred thousand rupees.

III. Responsibilities:

Request for Quotation shall be made DDOs/DO according to the authorization and delegation of financial powers.

IV. Procedure:

1. Identify the demand.
2. Prepare the description of the goods, words or services required.
3. There is no need for detailed description as it is of low value but the description should be accurate to make sure that the PA procures the right item required.
4. Proper approval must be taken from the financial authority.
5. Minimum three quotations are required from the suppliers or the contractors.
6. The supplier or the contractor with the lowest quotation shall be selected.
7. Purchase order shall be issued after selection.
8. Collect the goods and complete the purchase.

10.3: Direct Contracting

I. Reference:

PP Rules 2014; Rule 59: Alternative methods of procurements,

Sub-section (c) Direct Contracting

59. (c) direct contracting: a procuring agency shall only engage in direct contracting if any of the following conditions exist:

- i. the procurement concerns the acquisition of spare parts or supplementary services from original manufacturer or supplier when the same are not available from alternative sources;
- ii. only one manufacturer or supplier exists for the required procurement but in such a case, the procuring agency shall specify the appropriate fora which may authorize procurement of proprietary object after due diligence; and
- iii. where a change of supplier may result in acquisition of material having different technical specifications or characteristics that may cause incompatibility or disproportionate technical difficulties in operation and maintenance; and the contract does not exceed three years in duration;
- iv. repeat orders not exceeding fifteen percent of the original procurement;

v. in case of an emergency but the procuring agency shall specify appropriate fora vested with necessary authority to declare an emergency;

vi. when the price of goods, services or works is fixed by the Government or any other authority, agency or body under the law; and

vii. for purchase of motor vehicle from local original manufacturers or their authorized agents at manufacturer's price.

II. Remarks:

Direct Contracting provides a procedure for concluding a contract, where the goods, works or services are only available from a single source or in emergency and there is therefore no point in conducting competitive procurement proceedings. PAs shall engage in direct contracting, if one or more of the following conditions exist:

a. The procurement concerns the purchase of spare parts or supplementary services from original manufacturer or supplier: provided that same are not available from alternative resources;

b. There is only one supplier or manufacturer for the required object of procurement;

c. Where change in supplier/manufacturer, offering different technical specifications or characteristics, would result in technical incompatibility or difficulty in operation and maintenance;

d. Repeat order provided it does not exceed 15% of original procurement value;

e. In case of an emergency, the emergency must be declared by DCO/MD WASA/

Dir Gen DA or any other officer not below BS-20 (to whom such powers have been delegated by DCO/MD WASA/Dir Gen DA), shall declare that a situation of emergency has arisen and reasons for making such a decision shall be recorded in writing.

F. For purchase of motor vehicles, from local original manufacturers or their authorized agents at manufacturer's price.

III. Responsibilities:

Direct Contracting will require recommendation of the Procurement Committee

IV. Approval Required:

DCO/MD WASA/Dir Gen DA

V. Procedure:

1. Identify the need or demand.

2. Then prepare the description of the demand for goods, works or services required.

3. PA shall identify the supplier for the fulfillment of the requirement and shall provide proper justification for selecting the method of direct contracting. Approval must be taken from the 'for a' specified in 10.3 II (e) for using this method.

4. The description shall be sent to the selected supplier for requesting a different proposal or offer by him.

5. Direct contracting does not require formal receipt or tender opening

6. Supplier's offer will be evaluated technically in order to check whether
 - a. it meets the PA's requirements
 - b. are the terms and conditions of the offer acceptable to the PA
 - c. does it meet the technical requirement
 - d. is the supplier eligible enough to fulfill the procurement task
 - e. evaluate the financial bid whether it brings the value for money
7. Announcement of evaluation report must be done according to PP Rule 37 in case of direct contracting in single source or proprietary items.
8. No need to announce evaluation report in case of direct contracting for emergency procurements.
9. Recommend to DCO/MD WASA/Dir Gen DA for awarding the contract to the supplier or contractor.
10. Issue purchase order or prepare contract document.

10.4: Negotiated Tendering

1. Reference:

PP Rules 2014; Rule 59 (d) Alternative methods of procurements,

59 (d) Negotiated Tendering

Negotiated tendering: a procuring agency may engage in negotiated tendering with one or more contractors with or without prior publication of a procurement notification but this procedure shall only be used when:

- i. the supplies involved are manufactured purely for the purpose of supporting a specific piece of research or an experiment, a study or a particular development;
- ii. for technical or artistic reasons, or for reasons connected with protection of exclusive rights or intellectual property, the supplies may be manufactured or delivered only by a particular supplier;
- iii. for reasons of extreme urgency brought about by events unforeseeable by the procuring agency, the time limits laid down for open and limited bidding methods cannot be met, however, the circumstances invoked to justify extreme urgency must not be attributable to the procuring agency; and (iv) the Provincial Cabinet, for reason to be recorded in writing, approves any specific procurement to be made on urgent basis and shall fix the time for such urgency.

II. Remarks:

PAs may engage in negotiated tendering with one or more suppliers or contractors with or without publication of procurement notice. The negotiation process shall follow a sequential process, where PA will formulate a priority list of the possible suppliers/service providers; it will negotiate with the supplier/service provider on top of the priority list; PA will move down the order as negotiations fail.

PA should exercise this option where there is limited availability of expertise or services and thus it shall be used only when:

1. The supplies involved are manufactured purely for the purpose of supporting a specific piece of research or an experiment, a study or a particular development;

2. For technical or artistic reasons, or for reasons connected with protection of exclusive rights or intellectual property, the supplies may be manufactured or delivered only by a particular supplier;
3. For reasons of extreme urgency brought about by events unforeseeable by the procuring agency, the time limits laid down for open and limited bidding methods cannot be met. The circumstances invoked to justify extreme urgency must not be attributable to the procuring agency.

III. Responsibilities and Approval:

Any procuring agency desirous of using negotiated tendering as a method of procurement shall Seek approval from DCO/MD WASA/Dir. Gen DA;

Reasons and justifications shall be recorded in writing for resorting to negotiated tendering and shall place the same in procurement file.

IV. Procedure:

1. Identify the need or demand.
2. Preparation of the description of goods, works or services is requires.
3. Propose or mark the supplier who would be able to complete the procurement task along with the detailed description which would provide proper justification for choosing negotiated tendering procedure.
4. Send a request to the sole supplier to send his offer in writing.
5. There is no need for formal receipt or opening of tender.
6. Technical discussions and negotiations are allowed to ensure that the goods, works or services meet the requirement of the PA along with technical specifications, delivery time or completion time or any other condition specified in the contract terms & conditions.
7. Evaluate the bids to specify that it meets the requirement of the PA. This detail evaluation would include technical requirement, terms & conditions of the contract given by the supplier to the PA.
8. After technical evaluation the financial evaluation should be done in order to confirm that it should bring value for money, considering the breakdown cost and all other options, the volume of the contract or any other condition which the PA finds necessary. This assessment will also include whether the supplier is able to fulfill the procurement task.
9. Evaluation report along with recommendations shall be prepared to either award him the contract or not.
10. Announcement of evaluation report must be done according to PP Rules 37 in case of procurement of supplies for research or an experiment, a study or a particular development; procurements for technical or artistic reasons, or procurements where protection of exclusive rights or intellectual property is required.
11. No need to announce evaluation report in case of procurement made under [PP Rule 59d (3)] extreme urgency.
12. Purchase order must be issued with proper contract documentations.
13. Monitor and administer the whole procurement process until its successful completion.

Unit - 3

**Procurement of
Consultancy
Services**

CHAPTER - 11

GENERAL GUIDELINES

11.1. Introduction

I. Reference:

PP Rules 2014, Rule 39 Rights and obligations

39. Rights and obligations. The rights and obligations of the procuring agency and the consultant are governed by general and special conditions of contract signed between the procuring agency and the consultant

II. Remarks:

Consultants are engaged for different types of work which includes knowledge and technology based intellectual services. Consultants can be hired as individuals or as a team through a consulting firm. Consultants are hired for technical support and research which happens to be weak links in an organization. They can be engaged in different functional areas like monitoring and evaluation, capacity building, procurement, human resources; business process reengineering, institutional strengthening and reforms etc. When consultants are used, it should be ensured that:

- a. the functions and responsibilities assigned to the Consultant are adequately defined;
- b. the Consultant engaged is competent for the assignment;
- c. that the conditions of the Assignment are satisfactory; and
- d. that the Assignment is duly performed.

The firms should be engaged where collective input of the team, support facilities and professional management is required for an assignment. Individuals should be engaged where team input is not required, professional management is not needed and the individual credentials can be enough to complete the assignment.

III. Rights and Obligations:

The procuring agency and the consultant shall sign a contract for consultancy assignments. The terms specified in the general and special conditions of contract shall govern the rights and obligations of the procuring agency and the consultant. (PP Rule 39)

11.2: Funding and Approval Mechanism

I. Reference:

PP Rules 2014; Rule 2 – 1 (u) Large Consultancy, Rule 2 – 1 (ab) Short Consultancy

Rule 2 – 1 (u) Large Consultancy

'large consultancy' means a consultancy where the cost of consultancy exceeds one million rupees for individual consultant and five million rupees for consulting firms and the duration of large consultancy for an individual consultant shall not exceed twelve months.

Rule 2 – 1 (ab) Short Consultancy

'short consultancy' means consultancy where the cost of consultancy does not exceeds one million rupees for individual consultant and five million rupees for consulting firms and duration of the short consultancies for an individual consultants shall not exceed six months.

II. Remarks:

PC I and PC II can be used for funding consulting assignment for development projects.
PC I and PC II are to be approved by the Provincial Development Working Party (PDWP) where:

- a. PC I and PC II contain a consultancy component; and
- b. Funding for the said project is being made by the Provincial Governments.

The DDC (District Development Committee) shall approve the PCI and PC II where the funding of the project is coming from the CDG/DG resources.

III. Approvals:

PC I and PC II are to be accompanied by the terms of reference, evaluation criteria and budget estimate.

1. Large Consultancy

In case of large consultancy where the cost of consultancy exceeds one million rupees for individual consultant and five million rupees for consulting firms and the duration of large consultancy for an individual consultant does not exceed twelve months, evaluation criteria and budget estimate shall be submitted to P&D for approval.

2. Short Consultancy

In case of short consultancy where the cost of consultancy does not exceed one million rupees for individual consultant and five million rupees for consulting firms and duration of the short consultancies for an individual consultants does not exceeds in months; the cost for the assignment should be approved by the CSC.

11.3: Consultant Selection Committee

I. Reference:

PP Rules 2014; Rule 40 Consultant Selection Committee, Rule 41 Quorum, Rule 42 Decision by simple majority, Rule 43 Functions and Responsibilities of Committee

40. Consultant Selection Committee.– Every procuring agency, for the selection of consultant, except for short consultancies, shall set up a Consultant Selection Committee of odd number members, which shall consist of the following:

- a. head of the procuring agency who shall be its chairperson.
- b. a nominee of the Planning and Development Department, a nominee of the Finance Department, as members; a representative of the procuring agency, as a member (secretary);
- c. the procuring agency may co-opt up to two members, having adequate technical knowledge and experience in the relevant field, for assistance in a given assignment that requires technical input.

41. Quorum.-

Three members, including the chairman of the Consultant Selection Committee, shall form quorum for conducting the business of the Consultant Selection Committee.

42. Decision by simple majority.-

All decision of the Consultant Selection Committee shall be made by majority of the members present and voting.

43. Functions and responsibilities of Committee.-

The Consultant Selection Committee shall perform the following functions:

- a. short listing of consultants, responding to the expression of interest, where applicable, in accordance with the criteria mentioned in the expression of interest;
- b. approval of request for proposal before issuance;
- c. evaluation of technical and financial proposals, according to the selection method and evaluation criteria, mentioned in the request for proposal, and in accordance with the provisions of these rules; and
- d. Finalization of recommendation for selection of consultants based on evaluation criteria.

II. Remarks:

In case of large consultancies CDGs, WASAs and DAs, shall set up a Consultant Selection Committee consisting of odd number of members, PA shall constitute a CSC for procuring consulting services as per PP rule 40 which shall consist of the following:

III. Composition of CSC:

- a. DCO/MD WASAs/DG Das shall be its chairperson,
- b. A nominee of the Planning and Development Department as member,
- c. A nominee of the Finance Department, as member,
- d. A representative of the procuring agency, as a member (secretary),
- e. The procuring agency may co-opt up to two members, having adequate technical knowledge and experience in there Levant field, for assistance in a given assignment that requires technical input.

IV. Quorum:

DCO/MD WASAs/DG Das along with two members of the Consultant Selection Committee shall form quorum to conduct the meetings of the Consultant Selection Committee.

V. Decision by Simple Majority:

The decisions related to the business of the Consultant Selection Committee shall be made by voting of the members present to form the quorum. Simple majority of votes will be required to reach the decision.

VI. Responsibilities of CSC:

1. Review and recommend consultant selection methodology;
2. Approve short listing criteria and Eol;
3. Responding to expression of interest;
4. Short listing of the consultants;

5. Approve ToR for consulting services;
6. Approve RFP and technical evaluation criteria;
7. Opening of Technical and Financial Proposals;
8. Technical and Financial Evaluation;
9. Recommendations for selection of consultants.

CHAPTER – 12

IDENTIFYING THE CONSULTANTS

12.1: Expression of Interest

I. Reference:

PP Rules 2014; Rule 47 Expression of interest

47. Expression of interest.-

1. A request for expression of interest shall be advertised in accordance with the provisions of rule 12 and rule 13.

2. The expression of interest shall contain the following information:

a. the name and address of procuring agency;

b. an appropriate description of the assignment providing scope of the intellectual and professional services required;

c. closing date and place of the submission of the expression of interest;

d. criteria for short listing or prequalification where required; and

e. any other information that the procuring agency may deem appropriate to disseminate at this stage.

II. Remarks:

The Eol procedure is a form of Information Gathering Activity for consultancy services. It is used to identify consultants who have satisfactory capabilities, personnel and experience to accomplish a consultancy assignment, in order to establish a limited shortlist and invite detailed proposals from qualified consultants.

III. Responsibilities:

After CSC has decided selection methodology of consultants for a particular assignment, CDG/DGs shall solicit Expression of Interest through print media and placement on the website.

IV. Procedure:

1. In case of short assignments the assignment will be advertised on PPRA website and website of the PA and optionally in one or more local newspapers.

2. All Large Assignments above 2 million rupees should be advertised on PPRA website and at least two daily national newspapers (One English and One Urdu).

3. The PA may also advertise assignments in international newspapers or technical magazines, seeking Eol.

4. The PA may also contact professional organizations and firms that it knows from previous assignments.

5. The information requested shall be the minimum required to make a judgment on the firm's suitability. Any complex information which may discourage consultants from expressing interest should be avoided at this stage.

6. Sufficient time (not less than 15 days in NCB and 30 days in ICB) shall be provided for the submission of the EoI.

V. Information to be announced in EoI:

A. Information about the Client and the contact person;

1. name, location and size of the project
2. limitations on eligibility
3. type and scope of services required (a brief summary of the job)
4. areas of expertise deemed to be critical
5. estimated time schedule for the project
6. the forms of agreement and any special terms or conditions
7. method of consultant selection
8. criteria for shortlist in case of prequalification where required
9. deadline for the submission of EoI
10. limit of page count for submission (when appropriate)
11. any limit on the number of members in a consortium

B. Information required from the applicant consulting firms;

1. legal entity, registration with income tax department
2. registration with relevant professional bodies supported by latest/updated renewal
3. profile of core staff relevant to the assignment
4. audited accounts for up to three years
5. list of similar works (completed or in-hand) with Client, scope, cost of project, cost of consultancy and period
6. a detail undertaking by the firm that it has not been black listed by any Government Agency/Authority.

12.2: Short Listing of Consultants

I. Reference:

PP Rules 2014; Rule 47 Expression of interest

47. Expression of interest.-

1. A request for expression of interest shall be advertised in accordance with the provisions of Rule 12 and rule 13.
2. The expression of interest shall contain the following information:
 - a. the name and address of procuring agency;
 - b. an appropriate description of the assignment providing scope of the intellectual and professional services required;
 - c. closing date and place of the submission of the expression of interest;

- d. criteria for short listing or prequalification where required; and
- e. any other information that the procuring agency may deem appropriate to disseminate at this stage.

II. Remarks:

The CSC shall examine the EoI submitted by eligible consultants, and prepare a short list. There will be no consideration of firms other than those that have expressed interest in accordance with the Client's specifications.

III. Responsibilities:

Based on the evaluation criteria, the CSC shall shortlist the consultants who have exhibited interest in the assignment. The short list should consist of at least three candidates; if less than three have been shortlisted the CSC may re-advertise.

IV. Factors to be considered during Short listing:

1. Valid legal entity of the firm i.e. registration with Securities & Exchange Commission or Registrar of Firms, etc.
2. List/CVs of key relevant staff available with the firm
3. General and relevant experience – technical competency
4. Capacity to complete the work – skills and expertise available
5. Financial capability of the firm with reference to the value of the assignment
6. Past performance on similar assignments
7. Registration of the firm with relevant professional institutions
8. Undertaking that the firm has not been blacklisted or debarred by any Government/Semi-Government organization

12.3: Requests for Proposal

I. Reference:

PP Rules 2014; Rule 48 Request for Proposal

48. Request for proposals.–

1. A procuring agency shall use a request for proposal for seeking proposals from the shortlisted or pre-qualified consultants which shall include the following:

a. letter of invitation: the letter of invitation shall mention the name and address of the procuring agency and its intention to enter into a contract for provision of consulting services and contain names of all the short listed firms;

b. instruction to consultants: the instructions to consultants shall contain all necessary information that may help them prepare responsive proposals;

c. terms of reference: the terms of reference shall unambiguously define the objectives, goals and scope of the assignment, core team of required experts, expected deliverables with timelines and list of services necessary to carry out the assignment;

d. **evaluation criteria:** except as otherwise provided, the evaluation of proposals shall be carried out giving due consideration to quality and cost;

e. **type of contract:** a procuring agency, depending on the circumstances, may use one of the following types of contracts:

i. lump sum contract shall be used mainly for assignments in which the content, duration of the services and the required output are unambiguously defined;

ii. time based contract shall be used when it is difficult to define the scope and the length of services;

iii. hourly or daily rates shall be used for small projects, especially when the assignment is for less than a month; and

iv. any other, based on combination of the above and including out of pocket expenses, where required;

f. **special provisions:** a procuring agency may specify any other requirement related to the assignment or contract, where required.

2. A procuring agency shall invite the prospective consultants to submit their technical and financial proposals in separately sealed envelopes and the procuring agency shall give deadline for submission of proposals but the consultants shall be given adequate time to prepare their proposals which shall not be less than two weeks.

II. Remarks:

A well drafted RFP should result in a successful procurement process. Therefore this document must be prepared with due care. In order to minimise the chance of poorly drafted, incomplete or inaccurate documents of the wrong format being used, PAs should properly follow the guidelines given in this SoP.

III. Responsibilities:

RFP shall be approved by the Consultant Selection Committee. The terms of reference shall be drafted by the officer responsible for procurement and the office/ wing that have requisitioned the consulting services. The role of officer responsible for procurement will be to see that all the details necessary for execution of services have been outlined.

IV. Contents of RFP:

Request for proposal document shall include the following as per Rule 48 of PP Rules 2014;

A. Letter of Invitation:

The letter of invitation should include the name and address of the procuring agency, the names of all the short listed firms and the intention of the PA to enter into a contract for the provision of consultancy services by a consultant or consulting firm.

B. Instruction to Consultants:

The instructions to consultants should help the consultants to prepare their responsive proposals. These instructions should contain all important information which is necessary for completing the RFP.

C. Terms of Reference:

Drafting of Terms of Reference is critical for getting best possible technical proposals. . While drafting the ToR following shall be included:

1. Background;
2. Objectives;
3. Goals;
4. Scope of Work;
5. Outputs and Deliverables – Reports;
6. Personnel Specification and Expertise;
7. Core team of required experts
8. Work-plans, including approach and methodology;
9. Seminars/Workshops/Group Discussions/Meetings;
10. Timelines – Indicative Work-plan; and
11. Monitoring and Evaluation Framework.
12. List of services necessary to carry out the assignment;

D. Evaluation Criteria:

A clear and unambiguous evaluation criteria should be developed and included in the RFP giving due consideration to quality and cost;

a. Type of Contract:

“a procuring agency, depending on the circumstances, may use one of the following types of contracts:

1. Lump sum contract shall be used mainly for assignments in which the content, duration of these vices and the required output are unambiguously defined;
2. Time based contract shall be used when it is difficult to define the scope and the length of services;
3. Hourly or daily rates shall be used for small projects, especially when the assignment is for less than a month; and any other, based on combination of the above and including out of pocket expenses, where required;”(Rule 48 Request for Proposal)

F. Special Provisions;

Any other requirement related the assignment or contract may be added in RFP, however this requirement should be in line with the PP Rules 2014.

V. Procedure:

1. Prepare the Letter of Invitation which should express the intention of the Client to enter into an agreement for the provision of consulting services and the date, time and address for the submission of proposals

2. The information in ToRs should be unambiguous and clear so that it is possible for the potential bidders to fully comprehend the requirements.
3. Complete the Bid Data Sheet in the RFP with details of the procurement process.
4. The prospective consultants should submit their technical and financial proposals in separately sealed envelopes.
5. The consultants shall be given adequate time to prepare their proposals which shall not be less than two weeks
6. Check the list of information to consultants.
7. Issue the RFP to the shortlisted consultants.

CHAPTER - 13

SELECTING A METHOD

13.1: Quality and Cost Based Selection (QCBS)

I. Reference:

PP Rules 2014, Rule 45 Methods for selection of consultants, Clause (3) Quality and Cost Based Selection

45. Methods for selection of consultants.-

3. Quality and Cost Based Selection: This method may be used where:

- a. quality is the prime consideration while cost is a secondary consideration;
- b. terms of Reference are well defined;
- c. the financial proposals of only those technically responsive bidders who obtained minimum sixty five percent marks shall be opened;
- d. a combined evaluation of the technical and financial proposals is carried out by weighting and adding the quality and the cost scores;
- e. the weight for quality is normally of eighty percent with twenty percent given to cost and more than twenty percent weight to the cost of the services is justified only in relatively routine and straightforward assignments (such as design of simple structures), whereas in no cases it should exceed thirty percent and the consultant obtaining the highest combined score is invited for negotiations;

II. Remarks:

QCBS is the most commonly used method as it gives weight to both quality of the proposal and cost of the services. This method is used where quality is the prime consideration while cost is a secondary consideration and where it is possible to clearly define the terms of reference.

III. Responsibilities:

By default the weight assigned to the cost is 20%. More than twenty percent weight to the cost of the services is justified only in relatively routine and straight forward assignments (such as design of simple structures), where as in no cases it should exceed thirty percent Any change in percentage must be decided before issuance of the RFP so that the bidders know about the weight being assigned to financial/technical.

IV. Procedure:

1. Eol advertised to invite interested applicants/firms to contest;
2. Short list on the basis of Eols received from the interested firms;
3. CSC should shortlist on the basis of short listing criteria;
4. Request for Proposals (RFP) prepared and sent to short-listed consultants selected following the laid down criteria.
5. Technical Proposals are evaluated on the basis of predefined evaluation criteria.

6. The financial proposals of technically responsive proposals who obtained minimum 65% marks shall be opened in presence of the bidders or their representatives;
7. Financial proposals are evaluated which essentially means adjustment for arithmetic errors or adding cost into the proposal critical for undertaking that assignment; as per the Terms of Reference. A final score incorporating a cost factor is then calculated; and
8. Highest ranked firm will be identified on the basis of a combined evaluation of technical and financial proposal.
9. Contract Negotiations focus on the technical aspects and not on the financial details

13.2: Quality Based Selection

I. Reference:

PP Rules 2014, Rule 45 Methods for selection of consultants, Clause (4) Quality Based Selection

45. Methods for selection of consultants.-

4. Quality Based Selection: This system may be used for highly specialized, innovative and complex assignments, where quality is the predominant factor.

II. Remarks:

QBS is used for highly specialized and complex assignments where it is difficult to define ToRs precisely as the assignment could be carried out in different ways. Quality of services is the only factor that is taken into consideration because of the impact that quality can have on the outcome of the assignment.

III. Responsibilities:

CSC while adopting QBS method for selection of consultant shall record its reason and justification in writing.

IV. Procedure:

1. EoI advertised to invite interested applicants/firms to contest and a long list prepared accordingly;
2. Short list shall be prepared on the basis of short listing criteria
3. Request for Proposals (RFP) prepared and sent to short-listed consultants selected following the laid down criteria.
4. Initially only technical Proposals are submitted which are evaluated on the basis of predefined criteria;
5. The firm which is ranked highest in technical evaluation is asked to submit the financial proposals;
6. The firm is invited for contract negotiations if the financial proposal is within the indicative budget. Both the technical and financial details are negotiated; even the unit rates are debated upon and agreed. In case the negotiations fail, the next ranked firm in technical evaluation is asked to submit financial proposal and invited for contract negotiations.

13.3: Least Cost Selection

I. Reference:

PP Rules 2014, Rule 45 Methods for selection of consultants, Clause (2) Least Cost Selection

45. Methods for selection of consultants.-

2. Least Cost Selection: This is the preferred method for selecting consultants for assignments of standard or routine nature such as audit, simple engineering design or supervision of noncomplex works, where the well-established practices and standards exist.

II. Remarks:

This is the preferred method for selecting consultants for assignments of standard or routine nature such as audit, simple engineering designer supervision of non-complex works, where the well-established practices and standards exist.

III. Conditions for adopting LCS

LCS should be chosen if:

- a. contracts are small, with a consulting services budget;
- b. services are standard and routine;
- c. well-established practices and standards exist;
- d. outcomes are clearly defined; and the assignment can be completed with least costs.

IV. Procedure:

1. Firms submit both a technical and a financial proposal as in QCBS.
2. The technical proposals are evaluated first.
3. The firm with the lowest financial proposal among the technical responsive firms is then chosen.

13.4: Single Source Selection or Direct Selection

I. Reference:

PP Rules 2014, Rule 45 Methods for selection of consultants, Clause (5 & 6) Direct Selection

45. Methods for selection of consultants.-

5. Subject to sub-rule (6), a procuring agency may, in a complex project and with the prior approval of the Government, engage, through direct contracting, an organization owned or controlled by the Government, the Federal Government or any other Provincial Government.

6. In case of engagement of an organization under sub-rule (5), the procuring agency shall:

- a. record reasons in writing for direct contracting and shall issue a certificate of reason-ability of the negotiated price of consultancy based on the principles of procurement contained in rule 4; and
- b. obtain approval of the Authority to the extent of declaring the project as complex project.

II. Remarks:

Direct Selection shall be adopted in exceptional cases, when it has clear advantage due to following factors:

- a. For tasks which are a natural continuation of previous assignments and where it is unavoidable to continue technical service.
- b. Where only one Consultant is qualified or has experience of exceptional worth.
- c. In complex projects should engage in direct contracting with an organization owned or controlled by the Government, the Federal Government or any other Provincial Government after the prior approval of the Government.

III. Responsibilities and Approval:

1. It is used in special circumstances. CSC will have to give a strong justification in case it wants to opt for this method.
2. CSC resorting to this method should record reasons in writing for direct contracting and shall issue a certificate of reason-ability of the negotiated price of consultancy based on the principles of procurement contain edinrule4; and
3. Obtain approval of the Authority to the extent of declaring the project as complex project.

IV. Procedure:

1. When continuity for downstream work is essential, the initial RFP shall outline this prospect.
2. Continuity in the technical approach, experience acquired, and continued professional liability of the initial Consultant may make continuation preferable to a new selection (subject to satisfactory performance in the initial assignment).
3. For such downstream assignments, the Client shall ask the initially selected Consultant to prepare technical and financial proposals on the basis of TOR furnished by the Client, which shall then be negotiated.

13.5: Individual Consultant Selection

I. Reference:

PP Rules 2014, Rule 46 Selection process of individual consultant

46. Selection process of individual consultant.-The following shall be the selection process of individual consultant:

- a. individual consultant may not be required to submit proposals and shall be selected based on the qualifications and experience for the assignment;
- b. individual consultant shall be selected by comparing the qualifications and experience of at least three consultants among those who have expressed interest in the assignment or have been approached directly by the procuring agency;
- c. individual consultant considered for the comparison of qualifications and experience shall meet the minimum relevant qualifications, and the one selected to be employed by the procuring agency shall be the best qualified and shall be fully capable of carrying out the assignment;

d. individual consultant may be selected on a single-source basis (with due justification) in exceptional cases such as an emergency situation resulting from a natural disaster or where the individual is the only consultant qualified for the assignment;

e. for key assignments, interviews may be set up, if required.

II. Responsibilities and Approval:

CSC resorting to direct contracting through this method should record reasons in writing.

III. Procedure:

1. The qualifications and experience for the assignment of Individual consultants should be considered during their selection. They can be selected without submission of the proposals if they fulfill the required criteria.
2. Minimum three consultants should be compared among those who have expressed interest in the assignment or have been approached directly by the procuring agency.
3. The best qualified and experienced individual consultant who is fully capable of carrying out the assignment shall be selected after comparison.
4. Single source selection may be carried out in exceptional cases after due justification in emergency situation resulting from a natural disaster or where the individual is the only consultant qualified for assignment
5. The Individual consultants should be interviewed for key assignments.

CHAPTER- 14

SELECTION PROCESS

14.1: Receipt and Opening of Proposals

I. Reference:

PP Rules 2014; Rule 44 Selection of consultants

44. Selection of consultants.-

Depending upon the selection method, the procuring agency shall include, among others, the following steps in the process of selection of a consultant:

- a. preparation and approval of the terms of reference of the assignment;
- b. preparation of the cost estimate or budget of the assignment; c. public advertisement of invitation of consultants' expressions of interest and their short-listing;
- d. preparation and issuance of the request for proposal to the shortlisted consultants;
- e. preparation and submission of proposals by the consultants;
- f. evaluation of technical proposals; and
- g. opening and evaluation of financial proposals.

II. Remarks:

Only where there is good reason, should the PA extend the deadline for the submission of proposals. No amendments shall be given and/or accepted after the agreed deadline. When the deadline has passed, the proposals submitted shall be opened without any inordinate delay by the PA.

III. Procedure:

1. Prepare and approve the terms of reference of the assignment;
2. Prepare the cost estimate or budget of the assignment;
3. Public advertisement of invitation of consultant's expressions of interest and their short-listing;
4. Advertisement shall clearly mention the official address where these technical and financial proposals shall be submitted;
5. Preparation and issuance of their quest for proposal to the short listed consultants;
6. All proposals shall be received by a responsible officer of respective PA;
7. The office responsible to receive the bids shall be clearly mentioned in the RFP.
8. Staff at department shall ensure that no proposal is opened before the assigned time for opening of proposals.
9. These proposals shall be kept at a safe place and all the proposals received shall be numbered and duly recorded in a register.

10. Technical and Financial Proposals shall be opened by the CSC.
11. The consultants who have submitted proposals shall be invited to attend the opening of both technical and financial proposals;
12. Attendance of the consultants is optional.
13. Minutes shall be prepared and signed by the legal representatives of both the Client and Consultants who are present at the time of opening.

14.2: Clarification to RFP/ToRs

I. Reference:

PP Rules 2014; Rule 44 Selection of consultants

44. Selection of consultants. –

Depending upon the selection method, the procuring agency shall include, among others, the following steps in the process of selection of a consultant:

- a. preparation and approval of the terms of reference of the assignment;
- b. preparation of the cost estimate or budget of the assignment;
- c. public advertisement of invitation of consultants' expressions of interest and their short-listing;
- d. preparation and issuance of the request for proposal to the shortlisted consultants;
- e. preparation and submission of proposals by the consultants;
- f. evaluation of technical proposals; and
- g. opening and evaluation of financial proposals.

II. Procedure:

1. Potential applicants will be asked to direct all their queries to the office so designated in the RFP before stipulated bid opening.
2. In case PA wants to fix a date by which the queries should be submitted, the said date shall be duly mentioned in the RFP.
3. The office responsible to receive the queries shall forward it to respective section within two working days.
4. Respective section will respond within three working days.
5. The officer responsible for procurement will issue clarification/addendum to all the shortlisted consultants.
6. Suitable time extension in accordance with the stipulations of the bidding documents will be allowed to the bidders if required.

14.3: Technical Evaluation

II. Reference:

PP Rules 2014; Rule 50 Evaluation of quality of consulting services

50. Evaluation of quality of consulting services.–

Evaluation criteria for technical evaluation of consultants shall include the following:

- a. **experience:** the consultants specialized skills, working on the similar assignment and access to particular technologies related to the assignment;
- b. **financial capability:** financial capability of the consultant may be evaluated with a view to ensuring that the consultant can complete the assigned task in a timely manner;
- c. **approach and methodology:** the methodology proposed by the consultants shall be evaluated for its innovativeness and soundness;
- d. **quality management:** the availability of a well-established quality management system may be taken into account for large and complex assignments; and
- e. **staff proposed:** qualification and experience of the proposed staff of the consultant in the relevant field.

IV. Responsibilities:

DO/ Director WASA/Director CDGDA will be responsible for convening meeting of CSC for timely technical evaluation and for recording and issuance of CSC meeting minutes.

V. Procedure:

1. Technical Evaluation shall be based on the evaluation criteria that must have been agreed to by the CSC before issuance of RFP.
2. The criteria shall also be mentioned in the RFP so that the shortlisted candidates know the basis on which they shall be evaluated.
3. Criteria should be objective and should not be biased for or against a consultant.
4. The criteria shall be structured as prescribed in PP Rule 50:
 - a. **experience:** the consultants specialized skills, working on the similar assignment and access to particular technologies related to the assignment;
 - b. **financial capability:** financial capability of the consultant may be evaluated with a view to ensuring that the consultant can complete the assigned task in a timely manner;
 - c. **approach and methodology:** the methodology proposed by the consultants shall be evaluated for its innovativeness and soundness;
 - d. **quality management:** the availability of a well-established quality management system may be taken into account for large and complex assignments; and
 - e. **staff proposed:** qualification and experience of the proposed staff of the consultant in there Levant field.
5. Bulk of the weight goes to the personnel, which is further divided into the experts required for the assignment.
6. This criteria will be mentioned in the RFP issued to the shortlisted consultants along with the qualifying technical score threshold.
7. CSC will make the evaluation based on the approved criteria.
8. CSC may constitute a subcommittee from within the CSC in case the proposals are detailed and evaluation is time consuming.

9. However, CSC will review and approve the evaluation done by a subcommittee.

VI. Special considerations:

a. Single Proposal

If a single responsive bid is received, the procuring agency may award the contract to the bidder. (PP Rule 49 Single complying proposal)

b. Joint Venture

i. An association of consultants may take either the form of a joint venture or a subcontract and such association may participate in procurement process with the permission of the procuring agency.

ii. Under a joint venture, all members, if awarded the contract, shall individually sign and be jointly and severally liable for the entire assignment and such an association may be known as a consortium, association or joint venture. (PP Rule 51 Association of Consultants)

c. Intellectual Property Rights

i. All documents, reports, designs, research work and all deliverables prepared by the consultant shall be come and remain the property of the procuring agency.

ii. Any restrictions on the future use of these documents and software by the consultant shall be specified in the conditions of the contract. (PP Rule 52 Intellectual Property Rights)

14.4: Financial Evaluation

I. Reference:

PP Rules 2014; Rule 50 Evaluation of quality of consulting services

50. Evaluation of quality of consulting services.–

Evaluation criteria for technical evaluation of consultants shall include the following:

a. experience: the consultants specialized skills, working on the similar assignment and access to particular technologies related to the assignment;

b. financial capability: financial capability of the consultant may be evaluated with a view to ensuring that the consultant can complete the assigned task in a timely manner;

c. approach and methodology: the methodology proposed by the consultants shall be evaluated for its innovativeness and soundness;

d. quality management: the availability of a well-established quality management system may be taken into account for large and complex assignments; and

e. staff proposed: qualification and experience of the proposed staff of the consultant in the relevant field.

II. Responsibilities:

DO CDGs/Director WASAs/Director DAs will be responsible for convening meeting of CSC for timely technical evaluation and for recording and issuance of CSC meeting minutes.

III. Procedure:

1. Financial Evaluation takes place in case of QCBS.

2. For purpose of evaluation arithmetical errors are corrected. Items/activities which are critical for undertaking the assignment, and have not been accounted for are added in proposed financial proposal; cost of such items is taken equivalent to the highest cost proposed by any other applicant. .
3. CSC will review the financial proposals and any computational errors will be corrected.
4. For the purpose of evaluation, "cost" will include taxes, as well as all other costs involved in performing the services.
5. The proposal with the lowest cost will be given a financial score of 100, and the other proposals given scores that are inversely proportional to their prices, i.e., if the lowest conforming price is A, then the score for price B is $(A/B) \times 100\%$.
6. In case of QBS and other selection methods financial evaluation is not done as such.

Final Consolidated Score: In case of QCBS the total score shall be obtained by giving assigned weights to the technical and financial scores and then adding the two to reach a final score. Based on this score the firms will be ranked. The highest ranked firm shall be invited for contract negotiations.

In case of QBS the firms will be ranked according to their technical evaluation score. The firm receiving the maximum technical score shall be asked to submit financial proposal.

14.5: Contract Negotiations

I. Reference:

PP Rules 2014; Rule 53 Negotiations

53. Negotiations.-

1. Not with standing the provision under rule 57, the procuring agency may negotiate with the highest ranked bidder for consultancy regarding methodology, work plan, staffing, contract price and special conditions of the contract.
2. In case of failure of negotiations, the procuring agency may invite the next ranked bidder.
3. A committee of the procuring agency shall negotiate with the consultant and negotiation by a single person on behalf of the procuring agency shall not be allowed.

II. Responsibilities:

DO/Director WASA/Director CDGDA will be responsible for convening meeting of CSC for timely negotiations and for recording and issuance of CSC meeting minutes.

III. Procedure:

1. Contract negotiations provide a good opportunity to agree on the methodology, deliverables and work plan.
2. Even though the highest ranked technical proposal will be closest to the requirements but nevertheless there will be areas where there will be a need for convergence of approach between the applicant and client department.
3. Negotiations shall include methodology, work plan, staffing, contract price and special conditions of the contract.

4. These discussions shall not substantially alter the original ToR or the Terms of the Agreement, lest the quality of the final product and the relevance of the initial evaluation be affected.
5. In case of failure of negotiations, the procuring agency may invite the next ranked bidder.
6. A committee of the procuring agency shall negotiate with the consultant and negotiation by a single person on behalf of the procuring agency shall not be allowed.
7. The selected Firm should not be allowed to substitute key staff, unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment.
8. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified and Contrary to QCBS, price is not negotiated as such in QBS.

IV. Professional liability of consultants

1. The consultant selected and awarded a contract shall be liable for consequence of errors or omissions on the part of the consultant.
2. The extent of liability of the consultant shall form part of the contract and such liability shall not be less than remunerations nor shall it be more than twice the remunerations.
3. The procuring agency may demand insurance on part of the consultant to cover the liability of the consultant and necessary costs shall be borne by the consultant.
4. The consultant shall be held liable for all losses or damages suffered by the procuring agency on account of any misconduct by the consultant in performing the consulting services. (PP Rules 2014; Rule 54 Professional liability of consultant)

Unit - 4

Annexures

Annexure A: Template of Procurement Plan

Ref #	Procurement Steps	Activities	IT Equipment	Photo Copier Machine	PABX Exchange	ACs	Furniture Fixture	Fire Alarm System
		Method						
		Total Est. Cost PKR	47,200,00	30,000,00	10,000,00	10,000,00	10,000,00	30,000,00
	Preparation of Bidding Documents							
	Procurement Committee Approval to Bidding Documents							
	Advertisement of Invitation for Prequalification/Bids							
	Completion of Evaluation and Recommendations							
	Announcement of Evaluation on PPRA Website							
	Award of Contract/Issuance of Purchase Order							
	Publication of Award of Contract							
	Completion of Contract/Work							
	Disbursement of Payment							

Annexure B: Announcement of APP

Annual Procurement Planning for Financial Year 2012-13

(As per Approved Budget)

Name of the Organization;

A Procurements Made in Goods Sector	Allocation/ Estimated Cost	Procuring Cost
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
		Total (A) _____

B Procurements Made in Civil Works Sector	Allocation/ Estimated Cost	Procuring Cost
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
		Total (B) _____

B Procurements Made in Services Sector	Allocation/ Estimated Cost	Procuring Cost
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
		Total (C) _____

Grand Total (A+B+C) _____

Annexure C: Statement on Conflict of Interest

I, (Title) (Name) (Surname)

(Job title) (Department)

(Email address) (Contact phone number)

Situation 1

“ I do not have any conflicts of interest that prevent my full and unprejudiced participation in any procurement process or contract management.

I also declare that I will inform the PD, CDGs/WASA/DA immediately, should my circumstances change in any way that effects this declaration.”

Signature

Date

Situation 2

“ I do have a conflict of interest that may prevent my full and unprejudiced participation in a procurement process or contract management. The nature of this conflict of interest is described below:

Please insert the conflict of interest

I also declare that I will inform the PDs, CDGs/WASA/DA as soon as is practicable, should my circumstances change in any ways that effects this declaration.”

Signature

Date

Annexure D: Procurement Requisition

Procurement Requisition

Page ____ of ____

Procurement Number					
Entity	Department Project	Financial Year	Sequence Number	Bid Number	Contact Number
Subject of Procurement:				Location/Site	

Item No	Description <small>(A Detail Statement of Requirement or Stock Management Information may be attached)</small>	Quantity	Units of Measure	Estimated Unit Cost	Estimated Total Cost

Estimated Total Cost _____

Funds Availability:	Chapter	Section	Item	Type

Signatures required to certify that (1) The works, Service or Supplies are Required (2) Approval is Required to Proceed the Procurement and that

(3) Funds are Available or Budgeted for the Requirement.

Originating Officer

Head of Department/Unit

Finance Sector Officer

Signature:

Name:

Position:

Date:

Annexure E: Bidding Process

<p>1. General Procurement Notice</p> <p>(a) first issue date</p> <p>(b) latest update</p>	<p>_____</p> <p>_____</p>
<p>2. Prequalification, if required</p> <p>(a) number of firms prequalified</p>	<p>_____</p> <p>_____</p>
<p>3. Specific procurement notice</p> <p>(a) name of national newspaper</p> <p>(b) issue date</p> <p>(c) name of international publication</p> <p>(d) issue date</p> <p>(e) number of firms notified</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>4. Standard Bidding Document</p> <p>(a) title, publication date</p> <p>(b) date of issue to bidders</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>5. Number of firms issued documents</p>	<p>_____</p>
<p>6. Amendments to documents, if any</p> <p>(a) list all issue dates</p>	<p>1. _____ 2. _____ 3. _____</p> <p>1. _____ 2. _____ 3. _____</p>
<p>7. Date of pre-bid conference, if any</p>	<p>_____</p>
<p>8. Date minutes of conference sent to bidders and PA</p>	<p>_____</p>

Annexure F: Bid Submission and Opening

<p>3.1 Bid Submission deadline</p> <p>(a) original date, time</p> <p>(b) extensions, if any</p>	<p>_____</p> <p>_____</p>
<p>3.2 Bid opening date, time</p>	<p>_____</p>
<p>3.3 Record of bid opening</p>	<p>_____</p>
<p>3.4 Number of bids submitted</p>	<p>_____</p>
<p>3.5 Bid validity period (days or weeks)</p> <p>(a) originally specified</p> <p>(b) extensions, if any</p>	<p>_____</p> <p>_____</p> <p>_____</p>

Annexure G: Bid Opening Checklist

(To be filled out for each bid as it is read out)

Contract Reference: _____

Bid Opening Date: _____ Time: _____

Name of Bidder: _____

- (a) Is outer envelope of bid sealed?
- (b) Is bid form completed and signed?
- (c) Expiration date of bid:
- (d) Is documentary authority for signing enclosed?
- (e) Amount of bid security (if required): _____ (state currency)
- (f) Describe any "Substitution," "Withdrawal," or "Modification" submitted
- (g) Describe any alternative bid made:
- (h) Describe any discounts or modification offered:
- (i) Additional comments:¹
- (j) Name of bidder or representative present:
- (k) Total bid price: _____ (list currencies and amounts or percentages)²

Signature of responsible official: _____ Date: _____

¹Read out and record model numbers of equipment.

²If bid is for a package of contracts, the price for each lot or item should be read out

Annexure H: Table 1. Preliminary Examination

Preliminary Examination

Bidder	Verification	Eligibility	Bid Security	Completeness of Bid	Substantial Responsiveness	Acceptance for Detailed Examination
(a)	(b)	(c)	(d)	(e)	(f)	(g)

Annexure H: Table 2. Preliminary Examination

Preliminary Examination

Bidder	Verification	Eligibility	Bid Security	Completeness of Bid	Substantial Responsiveness	Acceptance for Detailed Examination
Bidder A	Yes	Yes ¹	Yes	Yes	Yes	Yes
Bidder B	No ²	Yes	Yes	Yes	Yes ³	No
Bidder C	No ⁴	Yes	Yes	Yes	Yes	Yes
Bidder D	Yes	Yes	No ⁵	No ⁶	Yes	No
Bidder E	Yes	No ⁷	No ⁸	Yes	Yes	No
Bidder F	Yes	Yes	Yes	Yes	Yes	Yes
Bidder G	Yes	Yes	Yes	Yes	Yes	Yes
Bidder H	Yes	Yes	Yes	Yes	Yes	Yes

¹Bidder is partly owned (25 percent) by government (of borrower). It operates under commercial law and is functionally and managerially independent of government.

²Joint venture agreement missing.

³Requires 25 percent mobilization advance; bid document states maximum of 15 percent. Deviation is minor and can be quantified.

⁴Bidder prequalified as local agent; bid is joint obligation with parent company. Bid deemed acceptable because increase in financial backing results.

⁵ Bid securities not in freely convertible currency.

⁶Does not include cost for required disposal of hazardous wastes found at the site.

⁷ Source of Plant form non-eligible country.

⁸Required validation period of security not met (8 weeks instead of 12 weeks).

Annexure I: Table 1. Detailed Technical Evaluation

Summary of Financial Evaluation

Page ____ of ____

Procurement Number					
Entity	Department/Project	Financial Year	Sequence Number	Bid Number	Contact Number

Bidder Name _____

Evaluation Criteria		Max Score	Enter Individual Scores as Per Evaluator From Table 2B					
Complete Criteria and score as listed in the bidding Document			Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Average
A	Main Criteria							
A1	Sub Criteria							
A2								
A3								
B	Main Criteria							
B1	Sub Criteria							
B2								
B3								
C	Main Criteria							
C1	Sub Criteria							
C2								
C3								
D	Main Criteria							
D1	Sub Criteria							
D2								
D3								
E	Main Criteria							
E1	Sub Criteria							
E2								
E3								
Totals								

Annexure I: Table 2. Summary of Technical Evaluation

Summary of Financial Evaluation

Page ____ of ____

Procurement Number					
PA	Department/Project	Financial Year	Sequence Number	Bid Number	Contact Number

Evaluation Criteria		Max Score	Enter Average Scores From Each Table 2A					
Complete Criteria and score as listed in the bidding Document			Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5	Bidder 6
A	Main Criteria							
A1	Sub Criteria							
A2								
A3								
B	Main Criteria							
B1	Sub Criteria							
B2								
B3								
C	Main Criteria							
C1	Sub Criteria							
C2								
C3								
D	Main Criteria							
D1	Sub Criteria							
D2								
D3								
E	Main Criteria							
E1	Sub Criteria							
E2								
E3								
	Total	100						
			Pass/Fail	Pass/Fail	Pass/Fail	Pass/Fail	Pass/Fail	Pass/Fail

Annexure J: Announcement of Evaluation Report

Summary of Financial Evaluation

Page ____ of ____

Procurement Number					
PA	Department/Project	Financial Year	Sequence Number	Bid Number	Contact Number

Evaluation Currency _____

No	Bid Name	Bid Currency	Bid Total (Read Out)	Correction Made	Corrected Bid Total	Exchange Rate	Evaluated Total	Financial Score*

*A Score of 100 should be Awarded to Lowest Price Bid.

Other Proposal are given to Financial Score inversely proportional to the lowest cost proposal, using the following calculation

Lowest bid/Bid Price *100=Financial score.

{Replace with other mythology for allocating costs marks if an alternative mythology is stated in Bidding Documents,}

Annexure K: Announcement of Evaluation Report

EVALUATION REPORT

(As per Rule 35 of PP Rules, 2009)

1. Name of Procuring Agency:
2. Method of Procurement:
3. Title of Procurement:
4. Tender Inquiry No:
5. PPRA Ref. No. (TSE):
6. Date & Time of Bid Closing:
7. Date & Time of Bid Opening:
8. No of Bids Received:
9. Criteria for Bid Evaluation:
10. Details of Bid(s) Evaluation:

Name of Bidder	Marks		Evaluated Cost	Basis for Rejection/Acceptance
	Technical (if applicable)	Financial (if applicable)		

Lowest Evaluated Bidder:.....

11. Any other additional/supporting information, the procuring agency may like to share.

Signature:

Official Stamp:

***Standard Bidding Documents (SBD)**

Annexure L: Proposed Contract Award

<p>1. Lowest evaluated responsive bidder (proposed for contract award)</p> <p>(a) name (b) address</p>	<p>_____</p> <p>_____</p>	
<p>2. If bid submitted by agent, list actual supplier.</p> <p>(a) name (b) address</p>	<p>_____</p> <p>_____</p>	
<p>3. If bid from joint venture, list all partners, nationalities and estimated shares of contract.</p>	<p>_____</p> <p>_____</p>	
<p>4. Principle country (ies) of origin of goods/materials.</p>	<p>_____</p> <p>_____</p>	
<p>5. Estimated date (month, year) of contract signing.</p>	<p>_____</p> <p>_____</p>	
<p>6. Estimated delivery to project site/completion period.</p>	<p>_____</p> <p>_____</p>	
<p>7. Bid Price(s) (Read-out)¹</p>	<p>Currency (ies)</p>	<p>Amount(s) or %</p>
<p>8. Corrections for Error²</p>		
<p>9. Discounts ³</p>		
<p>10. Other Adjustment ⁴</p>		
<p>11. Proposed Award⁵</p>		
<p>12. Disbursement Category ⁶</p>		



THE URBAN UNIT
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A Public Sector Company



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