

SINDH PUBLIC PROCUREMENT REGULATORY AUTHORITY (R)



SPPRA

PROCUREMENT REGULATIONS (WORKS)

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LIST OF ABBREVIATIONS USED

1	%	Percentage
2	AA:	Administrative Approval
3	AD:	Administrative Department
4	ADP:	Annual Development Plan
5	BB:	Bid Bond
6	BD:	Bidding Documents.
7	BOQs:	Bill of Quantities
8	BS:	Bid Security.
9	CDWP	Central Development Working Party
10	CE:	Chief Engineer
11	CS:	Consulting Services
12	CSR:	Composite Schedule of Rates.
13	CW:	Civil Works
14	DDWC	District Development Working Committee
15	DDWP	Departmental Development working Party
16	DG:	District Government.
17	DPC:	Departmental Procurement Committee.
18	EA:	Executing Agency
19	ECNEC	Executive Committee of National Economic Council
20	EDO:	Executive District Officer.
21	EoI:	Expression of Interest
22	F&P:	Finance and Planning.
23	FD:	Finance Department.
24	FD:	Finance Department
25	GC:	General Conditions (Contract)
26	GOS:	Government of Sindh.
27	I&P:	Irrigation and Power
28	ICB:	International Competitive Bidding
29	LDs	Liquidated Damages
30	LICBB:	Limited International Competitive Bidding
31	LOI:	Letter of Invitation.
32	MAA	Modified Administrative Approval
33	N/IS:	National/ International Shopping
34	NCB	National Competitive Bidding.
35	P&D	Planning and Development
36	PA	Procuring Agency.
37	PB:	Performance Bond
38	PC-I:	Planning Commission Form One.
39	PC-II	Planning Commission Form Two.

40	PC-IV	Planning Commission Form Four.
41	PDWP	Provincial Development Working party
42	PEC:	Pakistan Engineering Council.
43	PIN:	Procurement Identification Number.
44	RAA	Revised Administrative Approval
45	RFP:	Request for Proposals
46	RTS	Revised Technical Sanction
47	SBD:	Standard Bidding Document.
48	SC:	Special Conditions (Contract)
49	SE:	Superintending Engineer.
50	SFR	Sindh Financial Rules
51	SPPRA:	Sindh Public Procurement Regulatory Authority.
52	ST:	Single Tender
53	TOR:	Terms of Reference
54	TS:	Technical Sanctions
55	WP B&R Code	West Pakistan Buildings And Roads Code
56	WSD:	Works & Service Department.

1. Definitions.

In the context the following words and expressions shall have the meanings hereby assigned to them, except where the context otherwise requires:

1. **“Administrative Approval (AA)”** It is a concurrence and formal acceptance of the *Administrative Department concerned to the incurring of the proposed expenditure to execute specified works at a stated amount to meet the requirements of the Administrative Department.*
2. **“Appendix to Bid”** means the appendix comprising form annexed to the Bidding document.
3. **“Bidding documents”** mean all documents provided to the interested bidders to allow them to prepare bids.
4. **“Bill of Quantities (BOQ)¹”** means the price and completed bill of quantities forming part of the tender/bid.
5. **“Commencement Date”** means the date mentioned in the notice issued by the Engineer to start the work.
6. **“Competent Authority”** means an officer of the Procuring Agency empowered to exercise financial powers and approve the award of contract for procurement of works.
7. **“Completion Time”** means the time for completing the execution of work as stated in Letter of Acceptance and has satisfactorily passed any Tests prescribed by the contract.
8. **“Contract”** means an agreement enforceable by law and includes general and special conditions, specifications, drawings and bill of quantities.
9. **“Contractor”** means the person, firm, company or organization that undertakes to execute works including services related thereto, other than consulting services, incidental to or required for the contract being undertaken for the works .
10. **“Drawings”** means all drawings, calculations and technical information of a like nature provided by the engineer to the contractor under the contract.
11. **“Engineer’s Representative”** means a person appointed from time to time by the engineer.
12. **“Engineer”** means the person appointed by the procuring agency to act as engineer for the purposes of the contract.
13. **“Letter of Acceptance”** means the formal acceptance by the procuring agency of the bid/tender.
14. **“Modified Administrative Approval (MAA)”** means sanction granted when PC-I is modified due to inadequate physical or financial provisions , **before** the start of work or incurring of **any** expenditure, after issuance of administrative approval of scheme.
15. **“Procuring Agency (PA)”** means
 - (i) Any department or office of government or
 - (ii) District Government, or
 - (iii) Any authority, corporation, body or organization established by law or which is owned and controlled by the government.

¹ Schedule B is synonymous to Bill of Quantities(BOQ)

16. **Procurement Proceedings**” mean all procedures relating to public procurement, starting from solicitation of bids up to the award of contract.
17. **“Responsive Bid”** means a bid that contains no material deviation from, or reservation to, the terms, conditions and specifications given in the bidding document. In case bids are technically non-responsive bids, financial bids are not opened and returned to the bidders.
18. **“Revised Administrative Approval (RAA)”** means the sanction issued, when cost of the scheme/project is not sufficient for completion of the scheme/project for reasons of physical deviations/departures or on account of rates provided therein, during the currency of the work.
19. **“Revised Technical Sanction(RTS)”** means the sanction issued, when the cost of execution of work exceeds the cost of originally sanctioned estimate by more than 5%.
20. **“Specification”** means the specification of the works included in the contract, any modification thereof or any addition made thereto.
21. **“SPP Rules”** means Sindh Public Procurement Rules 2010.
22. **“Subcontractor”** means any person or firm named in the contract as subcontractor of a part of works or any person to whom a part of the works has been subcontracted with the consent of the engineer.
23. **“Technical Sanction (TS)”** means the detailed estimate prepared by the executing agency keeping in view technical feasibility and provisions in the PC-I for the sanction of competent authority..

2. Introduction

2.1 Purpose

Generally good framework of policies, procedures and documents is essential for procurement efficiency; the quality of procurement largely depends on the people who implement the system, their competence, training, intelligence, objectivity, motivation and ethics. Anecdotal evidence suggest that the senior officials responsible for making policies, with exception, have no exposure to public procurement concepts and its requirements; procedures in other advanced countries; international norms and practices.

The general level of education of both the senior officials and the support staff is high. However, the subject of 'public procurement' is not taught in any university, rather the knowledge thereof is acquired on the job or learnt through special training courses and seminars.

The purpose of these regulations is to educate and provide step-by-step guidance of the various procedures required for effective procurement by the procuring agencies, engineers, contractors, and their respective advisors to understand general policies and procedures concerning procurement of works and related services (such as transportation, insurance, installation, commissioning, training, initial maintenance, piling, mapping and other operations).

2.2 Objectives

Public procurement has a number of objectives which are enumerated as under:-

- (a) economy and efficiency in the implementation of the project/scheme including the procurement of the works and related services thereof, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations;
- (b) provide equal opportunity and information to all eligible and interested bidders to compete in the procurement process;
- (c) ensure transparency and fairness in the process;
- (d) obtaining works and services of the appropriate quality;
- (e) avoid cost and time over run; and
- (f) best value for money.

The purpose of these regulations is to facilitate achievement of above objectives.

2.3 GENERAL CONSIDERATION.

Procuring agencies must realize the importance of fairness, integrity, transparency and good governance in the procurement process while engaging in procurements and shall ensure that procurements are priced so as not to adversely affect the economic and financial viability of the project.

2.4 DELEGATION OF POWERS (Rule 14).

The administrative and financial authority for procurement rests with the heads of departments. They may delegate powers for approving expenditure to their subordinates in line with applicable financial Rules of the Government of Sindh.

2.5 Applicability of Regulations (Rule 3).

The procedures outlined in these regulations apply to all contracts for the procurement of works and incidental services related thereto, made by the procuring agencies of the Government of

Sindh, including all Government Departments, agencies, autonomous and semi-autonomous bodies, district governments, Taluka/ Town Municipal Administrations, Union Councils, Education Boards, Project management units/offices, Universities and similar other organizations or corporate body(ies) established under any law enacted by the provincial legislature. **The rights and obligations of the Bidder and the Procuring agency are governed by the bidding documents, and by the contracts signed by them.**

2.6 Eligibility (Rule 29).

In order to determine the eligibility of bidder when pre qualification is not undertaken, the procuring agency may ask for additional information/documents, but such information shall be limited to documents that are essential to ensure the bidder's capability to successfully perform the contract. The participation of the bidder shall not be denied for the reasons not related to its capability and resources to successfully perform the contract. The procuring agency shall carry out due diligence on the technical and financial qualifications of bidders to be assured of their capabilities in relation to the specific project which may include the following:-

- i. General Experience
- ii. Similar Experience
- iii. Personnel Capabilities
- iv. Equipment Capabilities
- v. Financial Position
- vi. Litigation History
- vii. Any other information.

The criteria to be met are to be set out in the bidding documents and, if the bidder whose bid has been determined to be the lowest but who does not have the capability to perform the contract, his bid is to be rejected. In such event, the Procuring agency is to make a similar determination for the next-lowest bidder.

There shall be no enlistment or registration of contractors, suppliers and consultants by the procuring agency and bidding shall not be restricted in any manner, except as otherwise provided in these rules.

Provided, that registration with professional institutions in respective fields shall applied as required by law. Licence from Electrical Inspector is mandatory for execution of electrical works in province of Sindh under the Provision of Rule 18 of Electricity rules 1937 Sindh Licence -----

Consultant shall not be hired if there is conflict of interest as stated in SPP Rule 62 and explained in SPP Rule 2 (1) (iii) as under:

(iii) any engagement in consulting or other procurement activities of a contractor, consultant or services provider that conflicts with his role or relationship with the procuring agency under the contract;

It is further elaborated that, *a firm which has been engaged to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods, works, or related services resulting from or directly related to the firm's consulting services for such preparation or implementation.*

This above restriction does not apply to firms (consultants, contractors, or suppliers) which together are performing the contractor's obligations under a turnkey or design and build contract.

2.7 INTEGRITY PACT (Rule 89).

The highest standard of ethics is required from staff of procuring agency and bidders during pre-qualification, bidding process and the execution of works. In pursuance of this policy, terms of

corruption and fraudulent practices are well defined in SPP Rule 2(q). Officials of procuring agency shall not use their authority or office for personal gain and maintain the highest standards of honesty and integrity by developing the highest possible standards of professional competence in using funds and other resources for which they are responsible to provide the maximum benefit to the project and procuring agency. Procurements exceeding Rs. 10 million for goods and works, and Rs. 2.5 million for consulting services are subject to an integrity pact, as specified by Rules, between the procuring agency and suppliers or contractors or consultants. Integrity Pact documents as prescribed above can be downloaded from the authority's website (**Annexure N**).

Reasons/causes leading to declare procurement

2.8 MIS-PROCUREMENT (Rule 56).

If at any time before or after award of contract, material deviation as mentioned in the rule has been noticed, then it can be recommend the matter to Head of Department for declaring the case to be one of mis-procurement, by either of the following:-

- Head of the Complaint Redressal Committee, on its own initiation or on receiving a complaint from any aggrieved bidder to the procurement proceedings,
- Sindh Public Procurement Authority may take notice of any material violation;

Chief Secretary on the recommendation of Review Panel can also order to authority to notify the case as mis-procurement.

On declaration of mis-procurement, procuring agency shall take actions as prescribed in Rule 56(4).

2.9 PROCUREMENT PLAN (Rule 11).

(1) **Procurement planning:** Procuring Agency shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency within its available resources, and prepare comprehensive Procurement Plan (annual or a longer term rolling plan), detailing the procurement methods applicable for specific procurements. The Procurement Plan shall be separately prepared for development projects/programme and of revenue budget. The annual Procurement Plan should be formulated at the same time as the annual budget forecast, since the annual activities of individual procurement units depend on the funds that are made available for procurement. They should be finalized in July, as soon as the anticipated final budget figures for the new financial year have been notified. However, they can be revised/modified during the course of a financial year, whenever a change is anticipated in budget by provision or release.

The procuring agency shall ensure that funds are used for the purpose for which they are allocated and should used them economically and efficiently without exogenous considerations.

All procurement requirements be documented and approved by Head of department/Project Director or Officer to whom powers are delegated prior to commencement of procurement proceedings. Following points may be taken in account while preparing Procurement Plan for development schemes and non development expenditure budgets as the case may be:

- (a) procurement plan be prepared for approved/unapproved schemes keeping in view the allocated funds for the financial year;
- (b) if time for completion of scheme is more than one year, rolling plan is to be prepared keeping in view the flow of funds;
- (c) in case funds are re-appropriated (addition or deduction), the required plan be updated/adjusted accordingly;

- (d) funds on “Maintenance & Repair” are released either on case to case based or en-block. Accordingly;
 - (i) the funds shall be used for the job/work for which the funds are released and the plan shall envisage the items to be executed from the allocated funds;
 - (ii) block funds be distributed as per requirements/plan;
- (e) it is pertinent to note that that the rolling plan is not required for “Maintenance & Repair”.

(2) Procurement Plan shall contain the following information: (refer Annexure AI & AII)

1. Serial Number.
2. Name of Scheme/Project along with Estimated Cost & date of approval.
3. Allocated Funds.
4. Funds reserved for ongoing works. **(Rolling Plan)**
5. Estimated Cost of ongoing works. **(Rolling Plan)**
6. Funds Reserved for remaining components (to be procured).
7. Estimated Cost of remaining components.
8. Nature of Procurement.
9. Method of Procurement.
10. Anticipated Date of Advertisement.
11. Anticipated Date of Start.
12. Anticipated Date of Completion.

- (3) Review and update:** The procurement plan prepared for any project/scheme shall be reviewed and updated throughout the life (completion period) of the project/scheme. Annual financial plan needs to be updated on a regular basis throughout the year.

Changes to an annual financial plan may be required due to (a) shortage of funds, (b) availability of supplementary funds, (c) late release of funds, (d) delays in obtaining necessary approvals and (e) failure of contractors to supply/execute as contracted, necessitating re-bidding.

Procurement plans should be reviewed on a quarterly basis and adjustments made, if required.

Procuring agency shall take into account the following while reviewing and updating the plan:

- (i) estimates of time requirements,
- (ii) availability of funds,
- (iii) assumptions about institutional capacity,
- (iv) changing priorities and
- (v) other factors that require plan adjustments for the success of the project. Such required adjustments will not invalidate the plan if made for improving the plan in the interests of the successful and timely completion of the project.

2.10 Limitations on splitting or regrouping within the proposed procurement (Rule 12).

Procuring agency must invite tenders without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the procurement plan. It has been noticed that Procuring Agencies are referring following Paras of various Manuals and codes for justification of splitting ; which are re-produced and discussed in the following paragraphs:-

²*It is permissible to give out to different contractors a number of contracts relating to one work, even though each work may be estimated to cost more than the amount up to which officers are empowered to accept tenders. But no individual contractor may receive contract amounting to more than this sum nor, if he has received one contract, may he receive a second in connection with the same work or estimate while first is in the force, if the sum of the contracts exceeds the power of acceptance of the authority concerned.*

Contents of paragraph shown in italic are relevant to splitting but remaining is related with the powers of officer to accept tenders.

³*A group of works which forms one project shall be considered as one work, and the necessity of obtaining the sanction of the competent authority to such group of works is not avoided by the fact that the cost of each particular work in the group is within the powers of sanctioning of any authority subordinate thereto.*

The contents shown in italic clearly state that word **WORK** is used for project and project has various components. Tenders for each component can be invited separately but each component should not be divided into sub-components. This can further be simplified by the examples mentioned below:-

- (a) **Road work:** Project/Scheme of road has various components i.e. Pavement, Culverts, Bridge etc.
- (b) **Building work:** Main building, Residential buildings, Compound wall, internal water supply and sanitary fittings, Electric work and external development etc.
- (c) **PHE Works:** Water works, main supply trunk line, distribution lines, pumping machinery and compound wall etc.

The components of work/scheme/project cannot be further split for tendering purpose.

Commencement of work in anticipation of detailed estimates of the complete project⁴

In exceptional cases where it is desirable to commence work on a project which has been administratively approved, before the detailed estimate for the whole project has been prepared, it is permissible for the authority competent to sanction the final technical estimate as a whole to accord sanction to detailed estimates for component parts of the project, subject to the following conditions;

- (1) For each such work or component part there must be a fully prepared detailed estimate and, in the administrative approval as a whole, there must be a clear and specific amount corresponding to the work or component part in question.
- (2) The amount of the detailed estimate must not exceed the amount included in the administrative approval by more than 10 per cent.
- (3) The sanctioning authority must be satisfied, before according sanction, that the amount of technical sanction for the whole project is not likely to exceed the amount of the administrative approval and then work or component part in the question can be

² Paragraph 525 of PWD Manual volume I

³ Paragraph 5.3 of WP B&R code

⁴ Paragraph 693 of Bombay PWD Manual Volume I and Para 5.4 of WP B&R code

appropriately commenced without affecting, or being affected by, any other part of the project, financially or otherwise.

Thus it is permissible for authority competent to sanction the final technical estimate as a whole to accord sanction to detailed estimate for component parts of the project. Thus tendering of component parts is permissible but not of sub-components. For example the compound wall of the premises cannot be splitted up into parts for tendering such as: North side, East side and etc. However if funds released during that financial year are not sufficient to invite tender for full component, then it is allowed to tender for the sub-component in line with funds released.

2.11 SOURCE OF FUNDS.

These procurement regulations shall be applicable to all sources of funds used for procurement of works i.e. internally generated funds, budgetary funds, loans (wherever applicable), donations, grants etc. at the disposal of GOS both in foreign currency as well as in Pak. Rupees. Thus the procurement procedure will have no linkage with the type of funds and its source; *except in the event that these rules are inconsistent with, or in a conflict with, any obligation or commitment of Government arising out of an international treaty or an agreement with a foreign country or countries, or an international treaty or an agreement with a foreign country or countries, or an international financial institution, the provisions such international treaty or agreement shall override the provisions of these rules to the extent of that consistency or conflict as the case may be (Rule 5).*

For development projects/schemes the department shall use a PC-I or PC-II to secure the requisite funds. Departments can secure funds for non-developmental expenditure through an allocation to the Budget Head 'Maintenance & Repair' or through Schedule of New Expenditure (SNE).

After conceiving a development project/scheme, it is processed through following stages to secure funds for physical implementation:-

- (i) preparation of the PC-I or PC-II as the case may be; **(Annexure B)**
- (ii) approval from competent forum.;
- (iii) issuance of Administrative Approval by concerned administrative department/agency.

2.12 REGISTRATION/ENLISTMENT.

Firms/individuals registered with Pakistan Engineering Council (PEC) are allowed to participate in tenders/bids of value, whose amount does not exceed the limit of the category in which it/he is registered. However contractors without registration of Pakistan Engineering Council can participate in any tendering for construction of Engineering Projects costing up to Rs. 2.5 million. **(Annexure C)**. Pakistan Engineering Council registers the contractors in various **Categories** listed below and **Disciplines** mentioned in **Annexure CII**:-

Constructor's Category	Limit of construction cost of the project (million rupees)
C-A	No Limit
C-B	Up to 2000
C-1	Up to 1000
C-2	Up to 500
C-3	Up to 250
C-4	Up to 100

For initial registration, change in category, and renewal, the applicant for the constructor's or operator's licence shall submit application to the Council in the prescribed form. The application for **renewal** shall be submitted to the Council by the **5th day of November** of the year based on the constructor's or operator's status as on the 31st day of October of the same year. **The licence shall stand expired on 31st day of December each year.** If the renewal is not submitted by 31st day of March, a surcharge of 2% will be levied. (Refer clause 6 instructions for filling in application form for new licence/renewal for a constructor/ operator of PEC Bye laws).

C-5	Up to 30
C-6	Up to 15

Restrictions regarding participation in number of tenders related to the category in which constructor is licensed is explained in clauses (8) and (9) of PEC bye laws, and is reproduced as under:-

- (8) Grant of licence to a licensee shall, subject to fulfillment of requirements of PEC bye-law (9), entitle him to construct or operate a project, as the case may be, the total construction and capital cost of which does not exceed the construction and capital cost limited by category of his licence. Number of projects that the licensee can apply, tender for or operate shall be unlimited as long as construction and capital cost of each such project falls within the licensee's category.
- (9) Grant of licence to a licensee shall oblige him to report to the Council if at any time he undertakes to construct or operate more than one project which results in aggregate construction and capital cost of the projects undertaken exceed the construction and capital cost of a single project permitted by the category of his licence. In his report the licensee shall also give the details of actions taken by him to fulfill the requirements of clause (4) of PEC bye-law 5.

2.13 Prequalification of Contractors/Bidders. (Rule 27)

Pre-qualification is an assessment made by the procuring agency of the appropriate level of experience and capacity of firms expressing interest in undertaking a particular contract, prior to issuance of the invitations to bid. This is achieved through the publication of a pre-qualification notice, the receipt of submissions and the evaluation of submissions against pre-defined criteria, but its use is not mandatory under the Rules. A decision on whether or not to use pre-qualification may be made at the procurement planning stage. For conditions of pre-qualification please refer 2.14 below.

2.15 Aim of Pre-qualification.

The basic aim of the pre-qualification is i to eliminate unrealistic, unqualified or disreputable contractors that are not suitably qualified to perform the contract. Pre-qualification may not be considered as a substitution of enlistment/or registration with departments, which has been prohibited in Rule 29(4). Pre-qualification is made on tender to tender basis and is valid for such project/scheme only.

Prequalification is the basic tool to:

- (i) encourage realistic bids by the bidders because they know that they are competing against qualified bidders who have cleared the minimum competence criteria;
- (ii) assess the interest of the prospective bidders in the bidding process;
- (iii) make any adjustments/modifications in the bidding documents if their lack of interest by the prospective bidders;
- (iv) reduce the effort and so the time in evaluation of bids from un-qualified bidders;
- (v) help the interested bidders to evaluate and take stock of their capability and consequently to form joint ventures with other firms;
- (vi) reduce the problems associated with low priced bids from bidders of doubtful capability and;

- (vii) help the prospective bidders who are insufficiently qualified and where the preparation of detailed tenders can be costly which may discourage competition if the interested bidders feel that they are competing against a large number of bidders.

2.15 Contracts/Assignments where pre-qualification is preferred:

A procuring agency, prior to the floating of tenders, invitation to proposals or offers in procurement proceedings, may engage in pre-qualification of bidders in the following cases:-

- (i) in cases of contracts for large and complex works and services, or in any other circumstances in which there are high costs of preparing detailed bids;
- (ii) in the contracts to be let under turnkey, design and build, or Management contracts;
- (iii) in case of procurement of expensive and technically complex civil and mechanical works to ensure that invitations to bid are extended only to those who have adequate capabilities and resources.

2.16 Evaluation Criteria:

Pre-qualification of bidders shall be based entirely upon the capability and resources of the prospective bidders to perform the particular contract satisfactorily and evaluated in terms of criteria set forth in the notices or bidding documents. The information/documents required shall include but not limited to following:-

(A) **Evaluation criteria based on quantification** (*In this method marks are assigned for each sub-criteria as mentioned in NITs & minimum threshold or percentage of marks required is to be mentioned for qualification*)

(i) **Experience and past performance.**

Successful experience as prime contractor in the execution of at least *one to three projects* within the *last five years*:

- (a) of *similar nature and complexity* comparable to the proposed contract(s)
- (b) in *similar site/geographical* condition;

(ii) **Personnel Capabilities.**

Requirement will vary from project to project. However following factors should be given due consideration:-

- (a) For Key Positions.
Academic qualification
 - BE/B.Sc. Engineering or equivalent qualification approved by PEC.Experience
 - 2 or more similar projects
 - 5 to 10 years
- (b) For other Engineering Positions
Academic qualification
 - BE/B.Sc. Engineering or equivalent qualification approved by PEC.Experience
 - 1 or more similar projects
 - 3 to 5 years
- (c) For other Positions
Procuring Agency shall assess and specify the experience & qualification requirements for other positions.

(iii) **Equipment Capability**

Procuring Agency should specify critical equipment required for the project. High value equipment maybe available with contractor on

ownership basis, lease or hire. However the same shall be subject to achievement of project targets without abnormal failures.

(iv) Financial

- Documentary evidence of financial position, e.g.: a bank statement or audited accounts of the last two to three years.
Annual turnover for construction be *either equal or twice the estimated cost of project*.

(v) Other information.

- Litigation history and arbitration with government departments and their outcome.
- Black listing (if any).

Provided that pre-qualification may be carried out for specific procurement/package/scheme/contact or project and will not be applicable for other schemes/contracts. The qualification of the contractors will cease with completion of such project/scheme.

Applicants meeting the eligibility and minimum requirements mentioned in Para 2.16 besides other factors shall be considered for pre-qualification. No compromise shall be made on *key personnel, academic qualification and experience*. History of excessive contract *arbitrations and litigation resulting in decision against the applicant can be considered sufficient grounds for dis-qualification*.

(B) Evaluation criteria based on Yes/No OR Pass/Fail

In this system is made on knockout basis; thus if bidder fails to obtain yes or pass in any sub criteria then he/it shall not be prequalified. (*Refer Annexure D for better understanding*).

2.16 Pre-Qualification Procedure (Rule 28). Steps to be followed for prequalification of bidders are as under:-

- (a) **Prequalification Notice** prepared in line with instructions mentioned under the heading “**Methods of Advertisement**” (**Rule 17**) and advertised with mandatory requirements for qualification (**Annexure D**).
- (b) **Pre-qualification documents.** The procuring agency shall **either** mention the required details including **Evaluation Criteria** in the **Prequalification Notice** or provide a set of **Prequalification documents** including the data sheet, the qualification criteria and a description of the type of works to which the pre-qualification applies at a cost not exceeding the cost of printing and preparation, containing the following details, but not limited to:-
 - (i) Instructions to applicants for preparation and submission of the pre-qualification documents;
 - (ii) Designation, address, Telephone and Fax No: of Procuring Agency;
 - (iii) Date, Time and Place of obtaining and submissions of Applications are clearly mentioned;
 - (iv) Scope of Contract;
 - (v) Source of funding;
 - (vi) Short listing criteria;
 - (vii) Cost of Documents;
 - (viii) List of Documents required from contractors such as:-

Company Profile:

Form I. Application on the letter pad of the firm/contractor;
Form II. General Information about individual firm and each partner in case of a joint venture;

Financial:

Form III Annual Turnover Data for last *three years*/financial stability;
Form IV Summary of Current Contracts Commitments & Works in Progress.
Form V Financial Turn-over for last *three years*.

Experience and Past Performance:

Form VI Experience in Contracts of Similar Nature.
Form VII Experience in Contracts of Similar Site/Geographical Condition.
Form VIII Performance Certificates of Projects completed.

Personnel Capabilities:

Form IX Personnel/Staff Proposed for the Project.
Form X Experience Summary of Key Personnel of the Project.

Equipment Capability

Form XI Equipments available with the contractor for the Project.

Any other information.

Form XII Undertaking regarding Litigations and Black listing.

- (c) applicants found capable of performing the work satisfactorily in accordance with the evaluation criteria set forth in the notices or bidding document shall be prequalified and shall be invited to submit bids;
- (d) an applicant may be “conditionally pre-qualified” if the application has minor flaws or deficiencies in meeting one or more requirements that can be easily redressed before the deadline for submission of bid with the prior approval of the procurement committee;
- (e) in such cases the participation of the applicant in the bids shall be conditional on its meeting the requirements imposed on it in the “*conditional pre-qualification*”
- (f) verification of the information provided in the submission for pre-qualification shall be made also at the time of award of contract, and award may be denied to a bidder that is judged to lack the capability or resources to successfully perform the contract;
- (g) procuring agency shall promptly notify each and every applicant or firm submitting an application for pre-qualification, regarding its status of pre-qualification;
- (h) procuring agency shall make available to any applicant directly involved in the pre-qualification process, upon request, the names of all suppliers or contractors who have been pre-qualified;
- (j) procuring agency shall provide on the request of applicant(s), the reasons for not pre-qualifying them, but it shall not be obliged to justify these reasons;
- (k) procuring agency can cancel the pre-qualification process at any stage;
- (l) in the case of rejection of all applications or due to poor response, procuring agency shall take the following action:-
if, after review, the contents of the advertisement are not found satisfactory, the procuring agency shall re-advertise the revised invitation;
A copy of the approved pre-qualification document shall be retained on the procurement file.

The procurement file shall also contain record of:

- (i) the interested bidders to whom the pre-qualification document was issued;
- (ii) the interested bidders submitting applications;
- (iii) the evaluation of applications; and
- (iv) the list of pre-qualified bidders.

2.17 Verification of the Contractors Qualifications.

A procuring agency, at any stage of the procurement proceedings, having credible reasons for or *prima facie* evidence of any defect in contractor's capacities, may require the contractor(s) to provide information concerning its/his qualification and professional, technical, financial, legal or managerial competence whether already pre-qualified or not.

In case of already pre-qualified contractor, procuring agency may ask him to provide additional or update information which may include the following:

- (i) financial predictions for the current year and the following two years, including the effect of known commitments;
- (ii) work commitments since prequalification;
- (iii) current litigation information; and
- (iv) availability of critical equipment.

2.18 Disqualification of suppliers and contractors. (Rule 30)

Procuring agency shall disqualify any applicant if, at any time, it finds that the information submitted for qualification was either significantly inaccurate or incomplete, and in such case the *grounds for disqualification shall be clearly mentioned in the Evaluation Report.*

The procuring agency shall disqualify contractor, whether already pre-qualified or not, if it finds at any time, that the information submitted by him concerning his *qualification and professional, technical, financial, legal or managerial competence* as contractor, was false and materially inaccurate or incomplete, *or at any stage has indulged in corrupt and fraudulent practices, as defined in SPP Rule (q).* However, in case of incomplete information, the procuring agency shall afford the opportunity to the applicant to furnish the required information before making any decision regarding disqualification. The grounds for disqualification shall be clearly mentioned either in the evaluation report or in the disqualification order.

2.19. Redressal of Grievances:

A contractor or supplier being aggrieved by the decision of the procuring committee regarding disqualification and other grievances regarding procurement process may seek relief through the **Mechanism for Grievances of Redressal**, as mentioned in **Rules 31 & 32.**

2.20 Enlistment by Departments: - (Rule 29(4)).

Sindh Public Procurement (SPP) Rules does not permit departments to Enlist/Register the Firms/Contractors in any category/class. Contractors/Firms are allowed to participate in the bids even without registration of PEC when cost is not more than 2.5 million. Registration with PEC and other professional bodies is mandatory if required by law. In case of electrical works, the licence from Electrical Inspector of Sindh is mandatory.

2.21 Maintenance of record: - (Rule 9)

Government offices, statutory bodies and public enterprises have a tradition of maintaining and preserving original records such as bid documents, bids, etc., for years so that meaningful procurement post reviews and, audits take place. An electronic record keeping is requirement of the day; therefore, the present database should be computerized in stages by building the capacity of the staff. Steps to be followed are listed below: -

- (i) procurement agency shall maintain a record of their respective procurement proceedings along with all associated documentation from the beginning of procurement planning up to the completion of contractual obligations, but a minimum

- period of **five years**. Identification Number shall also be allotted to each procurement (contract/procurement reference no) in order to facilitate in future correspondence;
- (ii) such maintenance of record shall be subject to the regulations framed in this regard from time to time.
 - (iii) each procurement record shall, as a minimum, contain following documents and information, -
 - (a) a brief description of the works and physical services where applicable, the justification for using a method other than open tendering if used;
 - (b) copy of procurement plan
 - (c) a copy of the published advertisement as well as a copy of the invitation for applications, tenders, proposals, quotations or other solicitations;
 - (d) a copy of the original cost estimate for the contract;
 - (e) the names and addresses of bidders or applicants who submitted tenders, proposals or quotations; the name and address of the bidder or consultant to whom the contract was awarded as well as the contract price;
 - (f) a copy of any pre-qualification, tender, proposal or other solicitation documents;
 - (g) minutes of tender/bid or proposal opening meeting;
 - (h) the pre-disclosed criteria for evaluation and its application, evaluation report and comparative statement of bids or proposals or quotations received;
 - (i) the record of approval of the evaluation report and the contract document;
 - (j) all communications with bidders or applicants;
 - (k) information relating to any decision on temporary suspension or annulment of procurement proceedings after having been initiated;
 - (l) documentation with respect to any appeal or complaint concerning procurement proceedings;
 - (m) SPPR identification number.

2.21 Pre-requisite conditions:

Procuring Agency/ Committee shall not invite bids for development works, unless following conditions are fulfilled:-

- (i) approval of PC-I/PC-II from **Competent Forum**;
- (ii) issuance of Administrative Approval (A.A) for development schemes;
- (iii) Technical Sanction (TS) of a detailed estimate is obtained;
- (iv) funds are either released or anticipated to be released before award of contract.

Conditions mentioned at serial No (i) & (ii) are not required for non development works.

2.22 Competent Forum:

PC-I/PC-II of schemes/projects prepared by the administrative department is required to be placed before the Development Working Party/committee according to the cost / competency of the forum as enumerate below:-

Competency of Forum

S No	Competent Forum	Cost of Scheme up to
1	District Development Working Committee (DDWC)	Rs. 20 million
2	Departmental Development Working Party (DDWP)	Rs. 40 million
3	Provincial Development Working Party (PDWP)	Rs. Five billion

4	Central Development Working Party (CDWP)	Rs. One billion
5	Executive Committee of the National Economic Council (ECNEC). After clearance from CDWP	Above Rs. One billion

- (i) Powers of Government & other authorities to accord administrative approval to schemes are regulated by Manual of Financial Rules;
- (ii) If PC-I envisages foreign exchange component, the scheme is to be placed before CDWP irrespective of the cost of scheme;
- (iii) If the scheme is funded fully or partially by the Federal Government, then scheme is to be placed before the CDWP for clearance/approval, irrespective of the cost of scheme;
- (iv) The limits for the competent forum for approving scheme mentioned above are subject to change as per the directions of the Planning Commission Government of Pakistan.

3. Composition and Functions of Procurement Committee. (Rule 7 & 8)

3.1 Composition of Procurement Committee.

Procuring agency may, with approval by its competent authority constitute as many procuring committees, as it deems fit, each comprising **odd number** of persons and headed by a gazetted officer not below BPS-18, or if not available, the officer of the highest grade available, and shall ensure that at least **one third** of the members of a procurement committee are from the agencies/departments **other than** the procuring agency.

3.2 Functions of Procurement Committee.

The Procurement Committee shall perform following functions:

- (i) Select the most appropriate method of procurement from one of the procurement methods specified in the rules considering the nature of procurement. Approval of procurement method shall be obtained from the Departmental Procurement Committee/Head of Department/Project director/ or Officer to whom powers are delegated;
- (ii) Preparing prequalification/bidding documents;
- (iv) Preparing invitation of bids/pre-qualification notice;
- (v) Short listing of contractors/firms responding to the pre-qualification notice, where applicable, in accordance with the criteria set forth in the notice or in the bidding document;
- (vi) evaluation of bids and quotations including technical qualification and financial proposals if any, according to the selection method and evaluation criteria, mentioned in the notice inviting bids notice for pre-qualification or bidding document;
- (vii) finalization and recommendation of successful bidder;
- (viii) perform any other function ancillary and incidental to the above, for the example it may;
 - a. cancel the bidding process at any time prior to the acceptance of a bid or proposal; (Rule 25)
 - b. upon request by any of the bidders, communicate to such bidder, grounds for the cancellation of bidding process, but is not required to justify such grounds; (Rule 25)
 - c. recommend to the competent authority for inviting afresh tenders in case an infirmity has surfaced in the bidding documents. (Rule 26)

4. Methods of Notification and Advertisement. (Rule 17)

4.1 Form of Notice:

Procuring agencies may issue the Advertisement or Notification in one of the following forms, subject to the relevant provisions of these rules;

- (a) Notice Inviting Tenders/Bids or Tender Notices in all cases of procurements;
- (b) Notices for Pre-qualification;
- (c) Request for Expression of Interest (Consultants only).

Invitation to tender or other notices are published in order to:

- (i) attract the widest possible competition, which should assist the procuring agency (PA) in obtaining value for money; and
- (ii) offer all potential bidders a fair opportunity to bid for government funded contracts.

4.2 Notice inviting tender:

Notice Inviting Tender is required in open competition bidding, where no pre-qualification has been conducted. It shall contain the following information (**Annexure E**)

- (a) name, postal address, telephone number(s), fax number, e-mail address of the procuring agency;
- (b) purpose and scope of the project/work;
- (c) title/name and cost of work;
- (d) the scheduled of availability, of receiving back of bidding documents and of opening of bids also mentioning place at which bidding documents are issued, received back and will be opened;
- (e) amount and manner of payment of tender fee and bid security/earnest money;
- (f) completion time;
- (g) authority competent to accept or reject the tenders (authority should invariably be reserved to reject any or all tenders so received subject to conditions mentioned in (Rule25);
- (h) type of tender/method of procurement;
- (i) the period during which the bid shall remain valid(**bid validity period**);
- (j) documentary evidence to be provided by the bidder to demonstrate its qualifications for purposes of post-qualification verification (if any). A licence granted by the PEC shall entitle a licensee to perform an engineering work for procuring agency. However, the procuring agency may prescribe its own requirements over and above the requirements for licence prescribed by the Council, particularly in respect of financial soundness, plant and equipment capability, previous experience, business management capabilities and specific expertise which in the opinion of the procuring agency, is essential for the execution of work. The grant of licence by the Council shall not absolve the licensee from application of any building control laws and other codes that are applicable to the engineering works (refer sub-clause 4 of Clause 4 of PEC Bye laws). **In case of electrical works, the licensee from the Electrical Inspector is mandatory.**
- (k) *any other information that the procuring agency may deem appropriate to disseminate at this stage.*

4.3 Cost of procurement up to Rupees One Million:

Procurements over **One Hundred Thousand Rupees** and up to the limit of **One Million Rupees** shall be advertised by timely notifications on the Authority's website and procuring agency's website if available in the manner and format specified by regulations issued by the Authority from time to time, and if no such formats have been specified by the authority, in the manner and format, which conforms most closely to the principles of procurements i.e. openness of competition, fairness, transparency etc. and to procedural requirements given in SPP Rules and Regulations, issued in pursuance of SPP Rules. These procurements may also be advertised in print media, if deemed necessary by the procuring agency (**Rule 17**).

4.4 Cost of procurement over Rupees One Million: All procurements exceeding **Rupees One Million** must be advertised on the Authority's website as well as in the newspapers having wide circulation. The advertisement shall appear at least in three national dailies (English, Urdu and Sindhi).

4.5 In cases where the procuring agency has its own website it shall also post all advertisements concerning procurement on that website as well.

4.6 A procuring agency utilizing electronic media shall ensure that the information posted on the website is complete for the 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.

4.7 In the case of **International competitive bidding**, the notice shall also be posted on an internationally known, dedicated and accessible website/magazines or internationally English language newspaper.

4.8 Response time: (Rule 18)

The time allowed for the preparation and submission of bids (including proposals for prequalification) shall be determined with due consideration of the particular nature of the project, its magnitude and complexity of the contract as explained below:-

(a) procuring agency shall ensure that bidding documents are available to the interested bidders from the first day of publication of Notice Inviting Tender in the newspapers or hoisting on the website, as the case may be;

(b) response period is determined/calculated from the date of first publication in newspaper or hoisting on the authority's website as the case may be (keeping in view the cost of bid) up to last date of issuing documents. Response period/time in case of National Competitive Bidding shall not be less than fifteen calendar days, but in case of International Competitive Bidding shall not be less than 45 days.

(c) in case of large works or complex items, sufficient period be allowed which is generally between 60-120 days to enable the interested bidders to conduct investigations before submitting their bids, and, in such cases, the procuring agency could convene pre-bid conferences and arrange site visits also.

4.9 Exceptions: - (Rule 19)

It shall be mandatory for all procuring agencies to advertise all procurement requirements exceeding prescribed financial limit i.e. **one hundred thousand rupees**. However under following

circumstances deviation from the requirement is permissible with the prior approval of the Head of Department:-

- (a) in cases of emergency, specified minimum time period may be reduced subject to the prior approval with reasons to be recorded by the Head of Department or an officer not below BS-20 who has been delegated such powers;
- (b) in cases of procurement related to national security, the requirement of advertisement and publication may be waived; provided the competent authority declares beforehand that such a publication could jeopardize national security objectives;
- (c) the requirement of advertisement and publication may be waived in a case of procurement, if it relates to disclosure of information, which is proprietary in nature or falls within the definition of intellectual property which is available from a single source.

Provided that the approval of competent authority has been sought beforehand and such an authority, while giving approval shall record its reasons in writing for granting such approval.

4.10 Extension of Dead line/Time Period for Submission of bids (Rule 22). Procuring agency may extend the dead line for submission of bids, as per conditions mentioned in Rule 22.

Provided that advertisement of such extension in time shall be done in a manner similar to the original advertisement, in which case all rights and obligations of the procuring agency and bidders previously subject to the original dead line will thereafter be subject to the dead line extended.

In case, corrigendum or addendum is issued, following points be taken into consideration:-

- i. notice of corrigendum or addendum is issued prior to expiry date of submission of bids or at least published within 3 days of expiry date/opening date and hoisting on the same date.
- ii. notice is to be advertized in a manner similar to the original advertisement. Affixing of corrigendum on notice board of office of the procuring agency cannot a substitute to the requirement of publication in newspaper or hoisting on SPPRA website as the case may be.
- iii. in case of material deviation or addendum, it is necessary to provide a minimum response period of fifteen days which will be counted from the date of publication/hoisting of such corrigendum or addendum;
- iv. in case addendum which envisages additional items to be tendered, then it is essential to enhance the response period by fifteen days to be counted from date of publication or hoisting on SPPRA website addendum at least for new items.

5. Methods of Procurement/Bidding (Rule 15).

5.1 Principal Method of Procurement: Procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of works.

Staff of procuring agency must maintain the highest standards of honesty and integrity in performing their duties by:-

- (i) developing the highest possible standards of professional competence;
- (ii) using funds and other resources for which they are responsible to provide the maximum benefit to the work;
- (iii) complying with both the letter and the spirit of the laws, rules and regulations of the procurement; so that work is awarded without influence of any unfair, corrupt or collusive practices; and
- (iv) treating all bidders and suppliers with fairness and impartiality, and avoid any business arrangement that might prevent the effective operation of fair and transparent competition.

5.2 Types of Contracts.

Following are the most common types of contracts:-

- (i) **Lump sum Contract:** The contractor is engaged to execute the work with all its contingencies for a fixed sum. It is used for works that can be defined in their full physical and qualitative characteristics before bids are called or where risks of substantial design variations are minimal, usually construction of buildings, power transmission towers, and series of small structures, such as bus shelters or ablution units.
- (ii) **Turnkey Contract:** In this type of contract the design, engineering, supply and installation of equipment and the construction of a complete facility and related works are required to be provided under a single contract.

Alternatively, the procuring agency may remain responsible for the design and engineering, and invite bids for a single responsibility contract for execution of works and supply and installation of goods required for the assignment. The scope of procurement may include maintenance and operation for certain period also.

Payments are made on the basis of percentage completion of each activity/stage of work, such as:

- (i) in case of highways: each kilometer completed;
 - (ii) in a project for constructing houses or class rooms: each of those units;
 - (iii) in the case of multi-storey building: excavation; foundation and plinth, frame work structure per floor; cladding per floor, services (electrical, plumbing, external sewers and drains) each payable as percentage completed in relation to the services for the whole building.
- (iii) **Scheduled Contracts/Unit Prices:** The contractor undertakes to execute the work at fixed rates. The sum he is to receive depend on the quantities and kind of work or material supplied. Following are the two kinds of schedule rates:

- (a) **Percentage rate contracts** are those in which the contractor undertakes to execute the work at a fixed percentage above or below the rates exhibited. The sum he is to receive depends on the quantities and kind of work done or material supplied. In works, this method is used when **Composite Schedule of Rates (CSR)** is the source of description of items and their rates.
- (b) **Piece Work.:** Repair works are commonly carried out as "piece work" – the agreements for which should be in the form of "work orders" on specific form and should contain only, a description of the work to be done and the percentage quoted above or below the Composite Schedule of Rates (CSR), without any reference to the total quantity to be executed or to the time within which it is to be executed. Procuring agency or the contractor may at any time terminate such agreement by notice in writing without claim to compensation by the other party. Specifications of the work to be done may be issued or reference thereof may be made in the work order, but shall not contain reference to quantity or time. Piece work contract cannot be extended beyond the financial year in which it is executed.
- (c) **Item Rate Contracts** are those in which the contractor undertakes to execute the work at the rates quoted by him in the tender. In an item rate contract quantities are shown but rates are not exhibited, and rates are to be quoted by the bidder in figures and words. Amount will be paid depending on the quantities and kind of work done or material supplied and rate quoted by bidder in BOQ.
- (d) Contract that is **combination of a & c**. A fixed sum is proposed for the completion of the work as specified and a schedule of rate is agreed upon by which to regulate the price to be paid or to be deducted for additions or alterations.
- (iv) **Rate Contract:** A Rate contract is a contract for the supply of stores at specified rates during the period covered by the contract. Approximate quantities will be mentioned in the contract and the contractor is bound to accept any order which may be placed upon the rates specified within the contract period. This type of contract is in use with Irrigation department for procurement of Aabkalani materials.
Rate (System) Contracts are used on the basis of previous experience and project needs, when it is concluded that the deliverables to be procured are required on a recurring basis, for an extended period of time. This type of contract facilitates prompt processing of procurement requirements. The number of time-consuming and repetitive solicitation processes for the same item is minimized and the unit price should be lower due to the consolidated volumes.⁵

5.3 Open Competitive Bidding (Rule 15):- Open Competitive Bidding, is the default method for procurement of works and services related thereto, unless the threshold or special circumstances relating to a specific requirement make it more appropriate to use one of the alternate procurement methods as specified in SPP Rule 16. Open Competitive Bidding seeks to ensure fairness, transparency and level playing field for all interested bidders, whether national or international. There are two types of open competitive bidding i.e. **International Competitive Bidding** and **National Competitive Bidding**. Refer Rule 15 (a) and (b) for further details.

⁵ .(For details Refer Clause 99 Page 43 of Sindh Purchase Manual, 1991).

National Competitive Bidding is adopted when Procuring Agency is convinced that foreign companies would not be attracted either of following reasons:

- (i) contract values are small;
- (ii) works are scattered geographically or spread out over time;
- (iii) works are labor-intensive; or
- (iv) the goods or works are available locally at prices below those in the international market.

5.4 Alternate Methods of Procurements (Rule 16).

(1) Where Open Competitive Bidding is not feasible, then either of the following alternative methods of procurement of works and related services thereto may be used as per conditions mentioned in Rule 16:

(a) **Request for Quotations.**

(b) **Direct Contracting.**

(c) **Force Account.**

(d) **Petty Purchases**

(e) **Repeat Orders.**

Refer Rule 16 for further details.

(2) **Variation order** is sometimes mixed up with **Repeat order** and in order to avoid confusion, the difference is stated below:-

(i) Repeat order is related with enhancement of scope of original work and same should not exceed 15% of the bid price;

Example: (a) If original scope is construction of 2 km road at the cost of Rs.10 million, then repeat order should not exceed more than 0.3 km and Rs.1.5 million. (b) If a building having plinth area of 2000 sq ft is tendered and there is natural extension of work then repeat order may be issued to the same contractor upto 15% of original contract value. Revised approval is however accorded for the enhanced scope

(ii) Variation in the executed quantities is result of either:-

- (a) the instructions given in writing by the Engineer for items which were not included in the original Bill Of Quantities (BOQ) or
- (b) quantities stated in the bill of quantities are either on lower or higher side as compared quantities executed at site.

(iii) Rates for enhanced quantities are decided as under:-

- (a) variations in quantities upto 15% of total contract price are to be executed by the contractor at the original contract rates.
- (b) when total cost of executed work **exceeds 15% of total contract price** (stated in letter of acceptance) then rates of those quantities are decided by clauses of the contract agreement as mentioned below:-

(I) **(Large Works Civil. Costing more than 50.0 million)**
On the submission of final bill, then valuation of variations (exceeding 15 percent) is done as per clauses of contact agreement.

(II) **(Small Works Civil. Costing up to 50.0 million)**

if the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by more than 25 percent, provided the change affects by more than one percent of the Initial Contract Price, the Project Manager/Engineer shall adjust the rate to allow for the change as per clauses of contract agreement. (It shall, however be ensured that the nitial contact cost not exceeded by more than 15 percent).

(b) if initial contact cost is exceeded by more than 15 percent, then valuation of variations for quantities and items exceeding 15 percent is done as per clauses of contract agreement.

Provided **Revised Technical Sanction** is obtained from competent authority before incurring expenditure beyond the allowable limit, i.e. 5% above the cost of Original Technical Sanction.

SPPRA

6. THE PROCUREMENT/BIDDING PROCESS.

6.1 FORMALITIES.

The Procuring Agency shall initiate the procurement process only after following codal formalities are observed:-

- (i) **Administrative Approval (A.A)** of the scheme is received. In case of urgency, in order to avoid delay in the bidding process the **Anticipated Administrative Approval** is issued by the Administrative Department on the orders of the competent forum;⁶
- (ii) **Technical Sanction (TS)** of detailed estimate is obtained from competent authority⁷;
- (iii) **Funds** are released or anticipated to be released before award of contract.

6.2 Functions of Departmental Procurement Committee (DPC) (Rule 7).

6.2.1 Pre-Tendering/Bidding Requisites: The Procuring agency shall prepare the following documents before inviting tenders/bids (NIT).

- (i) **procurement plan** prepared must envisage individual works or grouping of works into individual packages.
- (ii) **detailed specifications**, drawings and designs for each contract package;
- (iii) **bidding document** including Bill Of Quantities(BOQ).

6.2.2 Bidding Document. Bidding documents are required for open competitive bidding and is critical to the success of the bidding process. Procurement committee must make use of standard bidding documents as and when notified by SPPRA.

The following together comprise the bid document:-

(1) Part1; Tender Information & Condition of Contract.

(A) Tender information including Forms.

- a. Invitation to Bid.
- b. Bidding Data/Data sheet including method of procurement.
- c. Instructions to the Bidders clearly outlining the criteria for bid evaluation and selection of the evaluated bid.
- d. Form of Bid and Appendices.
- e. Form of Agreement (sample).
- f. Form of Bid Security (sample).
- g. Form of Performance Security (sample).
- h. Indenture Bond for Security Advance on materials.
- i. Form of Bank Guarantee for Mobilization Advance (sample).
- j. Form of Integrity pact if any.

(B) Conditions of Contract.

- (a) General Conditions of Contract (GCC) (FIDIC conditions of Contract);
- (b) Special Conditions of Contract (SCC). Any change in the general conditions is specified in this part by giving reference to the clause of GCC.

⁶ (Refer Para 6.19 & 6.1.10 page 72 of Hand Book of Planning Commission of Pakistan)

⁷ The West Pakistan Delegation of powers under the Financial Rules and the Powers of Re-appropriation Rules, 1962 (updated from time to time).

(2) Part II: Bill of Quantities.

Procuring agency shall prepare the Bill of Quantities appropriate to the works. The quantities given in the Bill of Quantities are estimated and provisional, and provide common basis for tendering. The basis of payment will be the actual quantities of work ordered and carried out, as measured by the contractor and verified by the Engineer and valued at the rates and prices tendered in the bill of the quantities.

(3) Part III: Specifications.

Precise and clear specifications are prerequisite for bidders to respond realistically and competitively to the requirements of the procuring agency without qualifying their bids. Specifications must be prepared to permit the widest possible competition and, at the same time, present a clear statement of materials, plant, and other supplies and workmanship to be provided. Once this is done, the objectives of economy, efficiency and value for money in procurement will be realized, responsiveness of bids is ensured, and the subsequent job of evaluation facilitated.

Specifications shall consider all site conditions but not limited to seismic conditions, weather conditions and environmental impact. Wherever reference is made in the specifications to specific standards and codes to be met by works to be furnished, the provisions of the latest current edition or revision of the relevant shall apply, unless otherwise expressly stated in the contract. Ordinarily the standards that ensure equivalence to the standards and codes specified shall be acceptable.

(4) Part IV: Drawings.

Drawings depending on the nature of work are to be prepared by the procuring agency relevance to nature of work. These shall include:-

- (a) detailed working drawings,
- (b) soil investigation report,
- (c) structural design,
- (d) index map indicating road alignment,
- (e) survey, longitudinal section & transverse section,
- (f) proposed gradients,
- (g) design,
- (h) drawings of manholes, collecting tanks and pumping stations and internal and external services,
- (i) any other drawing relevant to the work.

6.2.3 Clarification and Modification of Bidding Documents (Rule 23).

Where they are required either in response to a bidders request for clarification or on the procuring agency's initiative; it is important that clarifications, modifications and extensions are issued promptly and in sufficient time before the bid closing date as mentioned in the rule.

In case ,any modification or extension is considered inevitable by the procuring agency, the same shall be notified by the agency in the same manner as the original advertisement.

Mishandling of bidder clarifications, modifications and extensions may result in complaints from bidders, unnecessary delays in the bidding process or a reduced number of tenders.

6.3 Advertisement. (Rule 17)

Procuring agencies may issue the *Advertisement* or *Notification* as described e in Rule 17 of SPP Rules 2010.

6.4 Bid security: (Rule 37)

Notice inviting tender may also specify that a bid security for a specified amount and in a specified format be enclosed with the tender. If there is no bid security, the bid is “non-compliant” and therefore not “eligible” to go forward to the evaluation stage. Demand of Bid security with application for the issuance of bidding/tender documents is not allowed.

- (a) procuring agency may require the bidders to furnish a bid security neither less than **one percent** nor exceeding **five per cent** of the **Bid Price/Estimated Cost** in the form of a call on deposit, pay order, demand draft or Bank guarantee issued by a Scheduled Bank in Pakistan in favour of procuring agency, which shall remain valid for a period of 28 days beyond the validity period for the bids in order to provide the procuring agency reasonable time to act if the security is to be called. Any bid/tender not accompanied by it to the extent and in appropriate form as notified while inviting tenders or stated in the bidding document shall be rejected and treated as non-responsive. Furthermore, securities for an amount smaller or for a period shorter than the one specified in the Instructions to Bidders/Data Sheet are not acceptable. *However if Bid Security amount is short within 10% of Specified Bid Security amount and validity period is short by one or two days*, procuring agency should consider the same as minor deviation provided the bidder(s) undertake to make them up in response to the queries⁸. The security for a bid submitted by a joint venture should be in the name of the joint venture.
- (b) bid security shall be subject to **forfeiture** if:-
 - (i) bidder withdraws his bid during the validity period of the bid;
 - (ii) he refuses to correct the arithmetical errors.
 - (iii) successful bidder fails to provide the performance security of the contract or to execute the contact agreement.
- (c) bid security shall be released to the unsuccessful bidders, once the contract has been signed with the successful bidder or bid validity period has expired.
- (d) bid security of the successful bidder will either be returned, when the bidder has signed the agreement and furnished the required performance security or will be adjusted as part of retention money/security deposit/performance security.

6.5 Bid validity (Rule 38).

- (a) Procuring agency, keeping in view the nature of the procurement, shall specify a bid validity period which shall be stated in the bidding document and shall not be more than 90 days in case of NCB and 120 days in case of ICB;
- (b) Bid validity period shall be of a duration that will be sufficient to enable the procuring agency to complete the comparison and evaluation of bids, make recommendation of award and obtain all the necessary approvals so that the contract can be awarded within such period;
- (c) Procuring agency shall complete evaluation of the bids and award the contract within the initial period of bid validity so that extensions are not required.

⁸ Refer Standard Procedure for Evaluation of Bids for Procurements of Works.

In case Bid validity period is short by one or two days less than specified in the bidding document/NIT, then it will be considered minor deviation.

6.6 Extension of bid validity (Rule 38): Where an extension to the validity of bids is required, all bidders should be requested in writing to extend the validity of their tenders for an additional specified period of time. This request should be issued with reasonable period before the expiry of the validity of tenders, in order to give sufficient time for responses to be received.

- (a) extension is allowed only if justified by exceptional circumstances and subject to approval by the competent authority of the procuring agency, and with reasons to be recorded in writing.

Provided that if the validity period has to be extended due to some slackness on the part of procuring agency, the competent authority shall fix responsibility for such inordinate delay or slackness and appropriate disciplinary action shall be taken against the official(s) responsible for delay and slackness;

- (b) such an extension shall be for the minimum period required to complete the evaluation, obtain the necessary approvals, and award the contract and shall not be *for more than one third of the original period of bid validity*;
- (c) after obtaining such approval, the procuring agency prior to expiry of the original bid validity period, shall request in writing only those bidders who have submitted their bids, to extend the bid validity period;
- (d) whenever an extension of bid validity period is requested, the bidders shall have the right to refuse to grant such an extension and withdraw their bids and bid security shall be returned forthwith;
- (e) **Bidders who,-**
- (i) agree to extension of the bid validity period shall also extend the validity of the bid security (*if not in shape of call deposit*) for the specified extended period of the bid validity;
- (ii) agree to the procuring agency's request for extension of bid validity period shall neither be required nor be permitted to modify the price or other conditions of their bids.

In case the procuring agency fails to finalize the bid evaluation within the extended period then bids shall stand cancelled and bidding process shall be initiated afresh.

7. Bid Submission, Opening, Evaluation, and Award of Contract.

7.1 Submission of Bids (Rule 24).

- (A) **Formal procedure:** It is essential to define the procedure for the formal receipt of tenders, closing of tendering and safe-keeping of tenders for the transparency of the tendering process for the following reasons:-
- (a) it ensures that tendering is closed at the precise date and time of the deadline, that no late tenders are accepted;
 - (b) ensures that a record is kept of all tenders submitted on time, to help avoid the opening of any late tenders submitted at the opening;
 - (c) it ensures that submitted tenders are kept unopened until the time for the public tender opening, to promote fair competition.
- (B) **Discrepancies.**
- (a) date for opening of bids/proposals and the last date for the submission of bids shall be the same, as given in the bidding documents and in the Notice Inviting Tender/Expression of Interest;
 - (b) in case, the two dates are different, the date and time, given in the bidding documents shall apply.
- (C) **Detail Procedure**
- (a) bids shall be submitted on the place, date and time and in the manner specified in the tender notice and bidding documents;
 - (b) sealed envelope must be directed at the address notified in the invitation to bid, bearing the following identification:
 - i. "Bid for-(Name of work);
 - ii. bid reference number;
 - iii. on the reverse side to the address bear the name and address of the bidder, to enable the bid to be returned unopened in case it is declared "late" or unresponsive;
 - iv. caution "*Do Not Open Before [insert time and date for bid opening]*"
 - (c) bidders shall be permitted to submit bids by mail or by hand;
 - (d) bid should always be sealed, and the envelope shall contain all of the bid documents except the drawings and specification book which shall be returned separately;
 - (e) bids will be dropped in the locked **Tender Box or Cabinets** may be used or when the tenders are in large volumes or in envelopes that are large or thick, they may be directly received by an assigned officer/official of the procuring agency. The key of the box should remain in possession of the officer who opens the tenders;
 - (f) when a bidder submits a bid directly to the officer/official assigned by the procuring agency or when it is sent through either courier service or by post; the officer on request from the bidder shall issue an acknowledgement of receipt stating the date and time;
 - (g) if the outer envelope is not sealed and marked as above, the procuring agency will assume no responsibility for the misplacement or premature opening of the bid;
 - (h) bidders shall submit only one bid unless permitted to submit *alternate bid and in case separate bidding/tender document is to be purchased.*

7.2 Modification and Withdrawal of Bid.

- (a) bidder may modify or withdraw his bid after bid submission, provided that written notice of the modification or withdrawal is received by the procuring agency *prior to the deadline for submission of bids*;
- (b) bidder's modification or withdrawal notice shall be prepared, sealed, marked and delivered in accordance with the provisions of Clause 7.1 (submission of bids), with the outer and inner envelopes additionally marked "MODIFICATION" or "WITHDRAWAL" as appropriate. A withdrawal notice may also be sent by cable but must be followed by a signed confirmation copy;
- (c) neither modification nor withdrawal is allowed **after the deadline for submission of bids.**

7.3 Cancellation of Bidding Process (Rule 25).

- (a) procuring agency may reject all bids or proposals at any time prior to the acceptance of a bid or proposal. Procuring agency shall, upon request, communicate to any contractor who submitted a bid or proposal, the grounds for its rejection of all bids or proposals, but is not required to justify those grounds. Normally, a reason for cancellation of all bids or bidding process is either for following reasons:-
 - (i) evidence of lack of effective competition; such as non-participation by a number of potential bidders;
 - (ii) bids are not substantially responsive;
 - (iii) bid prices are substantially higher than existing budget, beyond the allowable limit of official estimated cost or allowable percentage above the schedule B /bill of quantities cost in percentage contract, provided the estimate is realistic;
 - (iv) bidders are unable to propose completion of the works within the stipulated time, though the stipulated time is reasonable and realistic; or
 - (v) evidence of professional misconduct, seriously affecting the procurement process is established.

Lack of competition shall be not determined solely on the basis of the number of bidders. Even when only one bid is submitted, the bidding process may be considered valid, if the bid was satisfactorily advertised and prices are reasonable in comparison to the market values and procurement made by agency in the recent past(Rule 48)..

- (b) **Actions required to be taken after cancellation of bidding process:** If all bids are cancelled, the Procuring Agency shall review the causes justifying the cancellation and consider making revisions to the conditions of the contract, design, specifications and scope of the contract, or combinations of these, before inviting fresh tenders;
- (c) procuring agency shall incur no liability, solely by virtue of cancellation/rejection of all bids towards contractors who have submitted bids or proposals;
- (d) intimation of the rejection of all bids or proposals shall be given promptly to all contractors who submitted bids or proposals and the bid security shall be returned along with such intimation.

7.4 Re-issuance of Tenders (Rule 26).

The Procuring agency may re-issue tenders in case, the bidding process has been cancelled as provided in Rule 25, or one of the conditions exists:

1. Such an infirmity in the bidding documents has surfaced that the procuring committee recommends to the competent authority that bids have to be invited afresh;
2. The case has been declared as one of mis-procurement, in pursuance of Rule 56;
Provided while re-issuing tenders, the procuring agency may change the specifications and other contents of bidding documents, as deemed appropriate.

Options: When all bids are cancelled, then procuring agency can opt either of following options for inviting new bids from:

- i. initially prequalified firms: OR
- ii. only those who had submitted bids in the first instance; OR
- iii. afresh NIT/EoI will be initiated. *This will be better choice if time is not constraint.*

7.5 Bid Opening (Rule 41): Bids shall be opened within **one hour of the deadline for submission of bids.**

All bids shall be opened publicly in the presence of all the bidders, or their representatives, who may choose to be present in person at the time and place announced in the invitation to bid and the bid opening is not delayed on the plea of absence of bidders or their representatives, as their presence is optional. The public tender opening is an important step in the tendering process as opening of tenders publicly helps to demonstrate that the tendering process is transparent and increases bidders' confidence in the public procurement process. Steps to be followed are stated as under:-

- (i) the tender box should be opened and all tenders removed and counted;
- (ii) first envelopes marked "*Withdrawal*" should be read out and the envelope containing the corresponding tender shall be returned without being opened. The withdrawal must be noted on the record of the tender opening;
- (iii) next, envelopes marked "*Modification*" should be opened one at a time and the envelope containing the corresponding tender located and opened. Details of the modified tender should be read out and recorded, ensuring that the details relate to the modified, not the original tender. Both the original tender and modification should be stamped on key pages and signed or initialled by the chairperson of procurement committee and by all members of the procurement committee, if demanded.
- (iv) after counting the remaining tenders, each tender envelope should be identified by giving it a **serial number divided by total number of tenders received**. When 5 bids are received then bids will be identified by marking them in following manner; 1/5, 2/5, 3/5, 4/5, 5/5;
- (v) bid opening sheet (BOS) is prepared containing the information relating to bids announced at the opening;
- (vi) tenders should then be opened, one at a time, and the relevant details i.e. the name of the bidder, total amount of each bid, alternative bids discount amount/percentage, and amount of call deposit and name of bank should be read out aloud and recorded as a line item against each serial number in the bid opening sheet. Reading out prices should avoid any disputes regarding price changes at a later date;
- (vii) officer/official chairing procurement committee shall encircle the rates and total bid price and all the members of PC shall sign each and every page of financial proposal;

- (viii) minutes of the opening of the tenders/bids shall be issued and shall also mention over writing or cutting if any;
- (ix) tender/bid with any condition or where the conditions mentioned in the NIT have been allured or omitted will not be entertained, will be declared non-responsive and shall stand rejected;
- (x) all bidders in attendance shall sign an attendance sheet evidencing their attendance;
- (xi) upon completion of the tender opening, all members of the PC shall sign the bid opening sheet.
- (xii) where tender openings for more than one tendering process are conducted at the same time, they must be conducted consecutively, with one opening completed, recorded and tenders removed, before the next opening commences.

7.6 Bid Evaluation (Rule 42).

(A). Stages of Evaluation. The three important stages of bid evaluation are listed as follows:-

- (1) **Preliminary screening**, to (a) eliminate tenders who fail to comply with the basic requirements of the Bidding Document and (b) bidders who do not meet mandatory eligibility requirements;
- (2) **Detailed evaluation**, to determine whether tenders are substantially responsive to the commercial and technical requirements stated in the bidding document and to eliminate tenders which are not responsive; and
- (3) **Financial evaluation** to compare the costs of responsive tenders and determine which is the lowest priced tender.

The successful tender will be the lowest priced tender, which is substantially responsive to requirements of the bidding document. But in case of Single Stage One Envelope Procedure, Post qualification procedure is used to determine Eligible and responsive bidder. The above stages of evaluation are very use full in case of Single Stage Two Envelope Procedure,

(B) Evaluation Procedure

- (a) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the NIT and the bidding documents. Tender/Bid with any condition or where the conditions mentioned in the NIT and the bidding documents have been allured or omitted will not be entertained, and will be declared *non-responsive* and shall stand *rejected*;
- (b) Purpose of bid evaluation is to determine the cost of each responsive/technically qualified bid in a manner that permits a comparison on the basis of their evaluated cost;

Bid Evaluation for Works shall be strictly in monetary terms, however if time is a critical factor, the value of early completion may be taken into account according to the criteria presented in the bidding documents. Bonus marks for early completion may be awarded, if mentioned in the evaluation criteria. In

such cases, provisions for commensurate penalties for noncompliance must be included in the conditions of contract.

- (c) **Correction of Arithmetical checking:** Bids determined to be substantially responsive shall be checked by the procuring agency for arithmetical errors and any such errors will be rectified as follows:-
- (i) where there is a discrepancy between the extended amount entered against an item in the bill of quantities and the amount obtained by multiplying the unit rate and the quantity, then the latter amount shall prevail and the extended amount entered in the bill of quantities shall be amended accordingly⁹;
 - (ii) if discrepancy is the misplacement of a decimal place in the unit rate, the unit rate shall be amended and the extended amount entered as aforesaid shall be taken as correct;
 - (iii) if there is a discrepancy in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
 - (iv) 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.

Bidders shall be notified in writing of any arithmetic corrections made and requested to agree to the corrections in writing.

- (d) for the purposes of comparison of bids quoted in different currencies, the price shall be converted into a single currency specified in the bidding documents. The rate of exchange shall be the *selling rate* as notified by the State Bank of Pakistan *prevailing seven working days before the date of opening of the bids* or the date of opening, *specified in the bidding documents*.

If the bidder does not accept the *Corrected Amount of Bid*, his bid will be rejected and his Bid Security forfeited.

- (e) 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.
- (f) there shall be no consideration during the bid evaluation of any information contained in a bid submission that was not requested in the bidding document.
- (g) **Correction for Provisional Sums:** Bids may contain provisional sums set by the Procuring Agency for contingencies or for nominated subcontractors if allowed, etc. As these sums are the same for all bids, they should be subtracted from the read out prices to allow for a proper comparison of bids in subsequent steps. However, those provisional sums set aside for day work etc, where priced competitively, should not be included in the deductions.
- (h) **Completeness of Bid:** Unless the bidding documents have specifically allowed, bids not offering all of the required items should ordinarily be considered non-

⁹.(Item rate contracts)

responsive. However, under works contracts, a rate or price shall be entered against each item in the priced Bill of Quantities, whether quantities are stated or not. The cost of items against which contractor will have failed to enter rate or price shall be deemed to be covered by other rates and prices entered in the preamble of Bill of Quantities. No separate payment will be made for those items.

- (i) **Substantial Responsiveness:** Responsiveness of the bidder and bid is to be determined by the Eligibility and the fact that bid has no Major deviations as mentioned below:

(1) Eligibility:

- (A) The bidder is of valid license holder from the PEC and fall within the category and discipline allowed to participate;
- (B) The bidder is registered with tax authorities.
- (C) The bidder is not black listed by any Procuring Agency.
- (D) In case of electrical works, the bidder is in possession of electrical licence from the Electrical Inspector of Sindh.

(2) Deviations:

(A) Major (Material): Major deviations to the commercial requirements and technical specifications are a basis for the rejection of bids. As a general rule, major deviations are those that if accepted, would not fulfill the purposes for which the bid is requested, or would prevent a fair comparison or affect the ranking of the bids that are compliant with the bidding documents. Major deviations include:-

- (i) stipulating price adjustment when fixed price bids were called for;
- (ii) failing to respond to specifications;
- (iii) failing to comply with Mile-stones/critical dates including completion date provided in Bidding Documents including completion date;
- (iv) subcontracting contrary to the Conditions of Contract specified in Bidding Documents;
- (v) refusing to bear important responsibilities and liabilities allocated in the Bidding Documents, such as performance guarantees and insurance coverage;
- (vi) taking exception to critical provisions such as applicable law, taxes and duties and dispute resolution procedures.
- (vii) bid security is of not required amount and source.
- (viii) bid validity is less than specified period.
- (ix) bid is submitted for incomplete Scope of Work.
- (x) bid indicates that material to be supplied does not meet the eligibility requirements or it is materially and substantially different from the Conditions/Specifications of Bidding Documents.
- (xi) the bidder refuses to accept the arithmetic corrections.

(B) Minor Deviations

Bids that offer deviations acceptable to the Procuring Agency and which can be assigned a monetary value may be considered substantially responsive the issue of fairness. This monetary value would however be added as an adjustment for evaluation purposes only during the detailed evaluation process. .

7.7 Confidentiality (Rule 53). The procuring agency shall keep all information regarding the bid examination, clarification, evaluation and comparison of bids and recommendations concerning awards confidential until the time of the announcement of the evaluation report. Staff managing a

public bid opening must take care not to answer questions regarding the acceptance or rejection of proposals, or to discuss the specific details of any proposal, score or price..

7.8 Clarification of bids (Rule 43). If warranted, occasionally, the executing agency may request clarifications bidders concerning ambiguities or inconsistencies in the bid, but it shall invariably be in writing and the response to such request shall also be in writing.

No change in the price or scope of the originally offered bids shall be sought or accepted, except for the correction of the arithmetic error and to understand the bidder's intentions for a decision on its responsiveness. No circumstances shall justify meeting or conversations between the executing agency, its evaluation committee (or its consultants) and bidders during the bid evaluation process.

7.9 Announcement of evaluation reports (Rule 45). The Evaluation Report should include at least the following information:-

- (i) results of the preliminary screening with the list of rejected bidders and a brief statement of why the bid was rejected;
- (ii) results of the detailed technical and commercial evaluation;
- (iii) list of any tenders which were rejected as non-responsive and the reasons for the rejection;
- (iv) details of any non-material deviations, errors or omissions accepted, clarified or corrected and, where relevant, the way in which deviations or omissions have been quantified and taken into account in the financial evaluation;
- (v) price of each tender as read out at the bid opening;
- (vi) evaluated price of each tender, following any correction or adjustments to the price and the conversion to a single currency (if required);
- (vii) ranking of the tenders, according to their evaluated price;
- (viii) stating the tender which has the lowest evaluated price and is therefore recommended for approval to competent authority; and
- (ix) results of pre-qualification/technical assessment also be provided separately if any.

The Bid Evaluation Report in the standard form prepared and duly signed by all members of evaluation committee is to be hoisted on website of the authority and that of procuring agency if its website exists and intimated to all bidders at least *seven days* prior to the award of contract. (Annexure F)

(i) Technical Evaluation Report/Qualification Assessment; (Sample)

Name of Procuring Agency:				
Name of Work:		Marks obtained by firms.		
S No & Evaluation Criteria*	*Marks assigned	Firm A	Firm B	Firm C
1.Experience in similar works(marks for one project = ----)	20			
2. Experience in similar geographical conditions (-marks for one project = --- -).	20			
3. Annual Turnover (not less than bid cost).	5			
4.	5			
5.	5			
6.				

* Procuring agency as per requirement of work shall decide the evaluation criteria and assign marks if necessary, otherwise eligible bidder is decided by verifying the documents submitted/attached with bid as per minimum requirements stated in Notice Inviting Tender or bidding document whenever evidence regarding qualification, professional capabilities, experience and financial stability of bidder is required.

When marks are assigned to each item of evaluation criteria then minimum qualifying marks in percentage are mentioned. Financial proposals of Firms/Contractors qualified as per evaluation criteria are opened only.

PA may state the threshold regarding quantum of assignment executed in past---years i.e. 1 Mark for 10.0 Million or as per their requirement.

This form is used when method of procurement is single stage two envelopes. But in routine nature of works or of single stage one envelope procedure, the marks system is not assigned in order to avoid complication in evaluations.

ii) Bid opening check list.

Preliminary requirements:

Sr: No	ITEMS	Name of Bidders		
		Firm A	Firm B	Firm C
1.	Is envelope sealed?	Yes/No		
2.	Required Amount of Bid security			
3.	Required Bid validity period			
4.	Authority of signing			
5.	Alternate bid if any			
6.	Withdrawal,			
7.	Substitution or Modifications, if any			
8.	Any discounts (if any)			
9.	Price Read out			
10.	Form of tender signed or not			
11.	Other documents attached(PEC valid Registration in required discipline and category			
12.	Any other detail			

Tenders which do not pass the preliminary screening are eliminated. List the eliminated tenders, with tender number, name of bidder and reason for rejection on a separate sheet (sheets) of paper.

(iii) Financial Proposals after correction.

So: No (a)	Firm/Bidder (b)	Pay order Amount & Bank (c)	Quoted bid cost (d)	Arithmetically corrected cost (e)	Discount Amount/Percentage (f)	Corrected bid cost (g)=e-f
1	Firm A					
2	Firm B					
3	Firm C					

(iv) Cost Comparison and Recommendations.

S. No	Firm/Bidder's Name	Final Tender Cost	Comparison with Engineering Estimate	Remarks and Recommendations	Ranking
1	Firm A				
2	Firm B				
3	Firm C				

7.9 Bidding Procedures of open competitive bidding (Rule 46). Following procedures are permissible for open competitive bidding:-

7.9.1 Single Stage – One Envelope Procedure.

- (a) Each bid shall comprise one single envelope containing the financial proposal only and company profile containing proof of relevant experience, annual turn-over of last three years, and registration with PEC or other authorities wherever applicable and information regarding litigation with government agencies, affidavit of not being black listed. Information regarding Company/Firm/Bidder's provided with financial bid will not be treated as *Technical Proposal*.
Requirement of company profile is very essential; when bidders are not pre-qualified. In this method the relevant information or details required from interested bidders are mentioned in the advertisement/ notice inviting tender and bidding document. Non-serious bidders are screened out from bidding process.
- (b) All bids received shall be opened and evaluated in the manner/criteria prescribed in the NIT or bidding document. Post qualification of lowest bidder is carried out to determine his responsiveness as per information or documents required and so provided as mentioned at clause (a) above; if he fails to be responsive, then same exercise is repeated for 2nd lowest bidder and so on till responsive bidder or lowest evaluated bid is determined.

- (c) Verification and up-to-date information: Procuring agency can verify the previous working, experience and financial statements made by the bidders in their bids;

7.9.2 Single stage – Two Envelope Bidding Procedure (46.2).

In this procedure, Technical and Financial proposals in separate envelopes clearly marked as “TECHNICAL PROPOSAL” and “FINANCIAL PROPOSAL” are required. In order to determine responsiveness of bidder, the “TECHNICAL PROPOSAL” shall be evaluated in a manner described in NIT or Bidding document.

- a) Technical evaluation is based on any one of the following methods:
- (i) when requirement for responsive bidder is based on the minimum managerial capacity, experience of similar projects/assignments, experience of professional persons and financial statement/annual turnover; then responsiveness shall be decided on *Yes/No* basis;
 - (ii) when *Marks* are assigned to each criteria/sub criteria then *minimum threshold* is to be mentioned in the document/NIT, bidders obtaining score less than threshold shall be treated non-responsive. In either case the least cost bid shall be accepted.
 - (iii) procuring agency may like the bid security to be submitted with the technical proposal, so that bids which are non-responsive on account of insufficient bid security be immediately rejected at the time of technical evaluation. In such case, the bid security shall be fixed as a specific amount common to all bidders in order to avoid disclosure of the bid price. Sometimes a portion of bid security (*fixed amount*) is asked to be attached with technical proposal and balance amount is required to be attached with financial proposal.
 - (vii) after evaluation and approval of the technical proposals, the procuring agency shall at a time within the bid proposal validity period, publicly open the financial proposals of only those bidders who are technically responsive for evaluation and comparison;
 - (viii) procuring agency shall evaluate the whole proposal in accordance with the evaluation criteria, evaluation report will be prepared accordingly and the least evaluated bid will be recommended for award of contract.

7.9.3 Two Stage, Bidding Procedure. Rule 46(3): Two-Stage Bidding is used for goods, works or services which are difficult to define fully at the start of the procurement process and where it would be beneficial to the procuring agency to consider the various solutions available, before defining its final requirements.

- (a) **First stage:** Technical proposals are demanded from the interested/pre-qualified bidders and procuring agency shall consider the relative advantages and disadvantages of the alternative technical solutions submitted by bidders. Procuring agency will be able to firm up the scope and the best solution by evaluating the alternate proposals submitted by bidders to match its requirements. Step by step procedure is stated as under:-
- (i) bidders are invited through advertisement either by short listing or conditions set in it/ bidding document to determine the responsiveness of the bidder to submit a technical proposal only on the basis of the conceptual design and required specifications. The bidding document must clearly explain the bidding procedure which will be followed, contain an outline description of requirements and contract and state how tenders will be evaluated during the first stage of the tender. **The bidding document should not request any financial information at this stage;**

- (ii) in response to the invitation for technical proposal , bidders shall submit its technical proposals describing the technical performance, quality and other characteristics of the works and physical Services which they consider best suited to meet the procuring agency’s needs and shall comment upon the terms and conditions suitable for managing contract performance. The evaluation must be conducted using the criteria and methodology stated in the bidding document. Procuring agency should consider the relative advantages and disadvantages of the alternative solutions submitted and finalise the final requirements;
 - (iii) bidders are not required to submit bid security with technical proposal in the First-Stage,
- (b) **Second stage:** Revised bidding document with modified evaluation criteria if any will be issued to bidders who conform to modified scope and technical requirements of the procuring agency. Following procedure is to be adopted:-
- (i) procuring agency shall revise the bidding documents to reflect the agreed new technical scope and set out the detailed bid evaluation criteria for the second stage bidding;
 - (ii) bidders are allowed to amend their technical proposals in order to ensure that their revised technical proposals are in line with the revised requirements of the procuring agency and to submit it with financial proposal. Revised/Modified/Original Technical Proposal along with financial Proposal will be evaluated accordingly.

7.9.4 Two Stage - Two Envelope Bidding Procedure. Rule 46(4): This procedure is used for highly complex procurements and where alternative technical proposals are possible. It would be beneficial to the procuring agency to be able to revise its requirements following technical discussions with bidders. The process is conducted either by pre-qualification to develop a shortlist, or prepare an invitation to tender notice;

- (a) **First stage.** Step by step procedure is mentioned in the said rule. The main difference between two methods is that in this method financial proposal is also to be submitted with technical proposal each in separate envelope. Technical proposal submitted are discussed with all bidders;
 - (i) bid shall comprise a single package containing **two separate envelopes**. Each envelope shall contain separately the **financial proposal** and the **technical proposal**;
 - (ii) envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion;
 - (iii) initially, only the envelope marked “TECHNICAL PROPOSAL” shall be opened;
 - (iv) envelope marked as “FINANCIAL PROPOSAL” shall be retained in the custody of the procuring agency without being opened;
 - (v) technical proposal shall be discussed with all the bidders or their representatives present together with reference to the procuring agency’s technical requirements;

- (vi) bidders willing to meet the requirements of the procuring agency shall be allowed to revise their technical proposals following these discussions;
- (vii) bidders not willing to conform their technical proposal to the revised requirements of the procuring agency shall be allowed to withdraw their respective bids without forfeiture of their bid security;
- (b) **Second stage**
 - (i) after agreement between the procuring agency and the bidders or their representatives present all together on the technical requirements, bidders who are willing to conform to the revised technical specifications shall submit a revised technical proposal and supplementary financial proposal if desired according to the revised technical requirements;
 - (ii) revised / original technical proposal conforming to the agreed technical standards and along with their original financial proposal and supplementary financial proposal(if any) shall be opened at a date, time and venue announced in advance by the procuring agency. The financial proposals of bidders whose technical proposals are not responsive shall be returned unopened;

Provided that in setting the date for the submission of the revised technical proposal and supplementary price proposal, a procuring agency shall allow sufficient time to the bidders to incorporate the agreed upon changes in the technical proposal and to prepare the required supplementary financial proposal; and
 - (iii) procuring agency shall evaluate the whole proposal in accordance with the evaluation criteria and the bid found to be the lowest substantially responsive evaluated bid shall be accepted.

7.9.5 Conditions for use of various Procedures Rule 47 (merits and demerits).

- (1) **Single stage one envelope bidding procedure:** When procurement is of simple and standard nature and scope/specifications are well defined, then this is main competitive bidding procedure. But due to ban on enlistment/registration of contractors with procuring agencies, every bidder without registration of PEC is allowed to participate for bids costing less than Rs 2.5 million. In this case procuring agencies are allowed to ask/verify certain **details/information** from them to ascertain their capabilities to fulfill the contract in question. The responsiveness of bidder is determined by verifying the required documents in the following manners:-
 - (i) before opening the financial proposal;
 - (ii) after opening the financial proposal (*Post-Qualification method*)
But issuance of bidding documents must not be linked with verification of documents.
- (2) **Single stage two envelope bidding procedure:** The purpose of introducing this procedure was to obviate any pressure to consider non-conforming attractive bids or bidders and this system theoretically assured a perfect evaluation. This shall be used when bids are to be evaluated on technical/qualification and financial grounds and price is taken into account after technical/qualification evaluation which determines the eligibility of bidders by verifying the documents and analyzing the

- technical proposals received in response to evaluation criteria mentioned in NIT and bidding document.
- However the procedure suffers from serious disadvantages:
- (i) delay in opening of financial proposal, and longer the delay less is the perceived integrity;
 - (ii) tender conditions and technical specifications may be deliberately or otherwise skewed in favor of some bidders;
 - (iii) approving authority and auditors are prevented from knowing the additional price paid for a trivial or minor or unnecessary or avoidable requirement, as financial proposals of non-responsive bidders is returned unopened.
- (3) **Two stage bidding procedure:** Two-Stage bidding is used for goods, works or services which are difficult to define fully at the start of the procurement process, where it would be beneficial to the procuring agency to consider the various solutions available in the market, before refining its requirements. This is used in either of following conditions:-
- (i) turnkey contracts;
 - (ii) large and complex contracts;
 - (iii) works of a special nature or complex information,
 - (iv) where it may be undesirable or impractical to prepare complete technical specifications in advance;
 - (v) where **technically unequal proposals** are likely to be encountered or
 - (vi) 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.
- (4) **Two stage two envelope bidding procedure** shall be used for procurement where procuring agency lacks the capability to prepare a full technical specification because **alternative technical approaches/proposals** may be available, but not within the knowledge of the procuring agency and bidders are allowed to amend their technical proposals in order to ensure conformance to the same technical standards.

7.10 APPROVAL.

Before awarding the contract, approval of the Competent Authority is required as mentioned in Rule-14. The bid with the lowest evaluated cost (but not necessarily the lowest submitted price) shall be submitted with following documents for approval. The procurement contract should be awarded within the original or extended period of bid validity. In case if it is not awarded within the original or extended period of validity, then reasons should be recorded by the competent authority for not awarding the contract:

- (i) Approved Tender Notice & Bidding Document;
- (ii) Tender Notice as published in newspaper (Original Page) /SPPRA Website ID No;
- (iii) Minutes of Bid opening with attendance Sheet ;
- (iv) Original bids received along with the bid security;
- (iv) Report of Technical evaluation if any;
- (v) Minutes of Financial Opening, evaluation report with recommendation of lowest evaluated bid for award of contract;
- (vi) **Financial Review:** It shows the comparison of cost provisions regarding the work in question in the Rough Cost Estimates (Administrative Approval), Technical Sanction of Detailed Estimate and recommended Tendered/Bid Amount. Financial Review determines whether bid cost is within limits allowable over and above the amount provide in Administrative Approval and Technical Sanction for the work (Annexure G).

In addition to the above mentioned documents, following additional documents are also required to be submitted if pre-qualification of bidders is done:-

- (a) pre-qualification criteria along with minutes/report containing evaluation of applications as per short listing criteria;
- (b) letter of invitation of bid for each pre-qualified applicant.

7.11 Competent Authority.

The delegations of powers for acceptance of tenders / bids are defined in the West Pakistan Delegations of Power under the Financial Rules and Powers of re-appropriation rules, 1962 (Amended/ updated) from time to time.

The competent authority considering the overall recommendations of the evaluation committee, may either: -

- (a) approve the recommendations; or
- (b) seek any clarification from the Committee on any specific issues in connection with such recommendations; or
- (c) for reasons to be recorded in writing:
 - (i) reject the recommendations, and request the Committee for a reevaluation; or
 - (ii) reject the recommendations, and issue instructions to reprocess the Procurement in accordance with the provisions of the Rules.

7.12 Award of Contract (Rule 49).

The contents of the contract document will depend on the model contract included in the bidding document. The contents of a contract and the order of precedence are normally listed in the contract form or special conditions of contract. As guidance only, contract documents normally consist of the following:

- (i) the contract form or agreement;
- (ii) the contract award notice/letter of acceptance;
- (iii) the bidder's bid and any modifications to the bid;
- (iv) the general conditions of contract;
- (v) the special conditions of contract;
- (vi) the description of works, comprising specifications, terms of reference, drawings, bill of quantities, activity schedule and/or any other similar document.

The award of the contract must be made within the original or extended period of bid validity.

7.12.1 Letter of Acceptance: It is normally a contractually binding notice, which results in the entry into force of a contract and provides a rapid means of forming a contract, rather than waiting while the complete contract document is prepared. Thus the contract comes into force at once, meaning thereby that the delivery or mobilisation periods start sooner and overall contract completion is achieved sooner;

- (a) On receipt of approval, prior to the expiration of the original/extended validity period of the bids and expiry of seven days after publication/ announcement of the bid/tender evaluation report; the acceptance notice of the tender/bid signed by the authorized signatory of the procuring agency shall be given for the acceptance of the tender to the successful bidder (hereinafter called (**Letter of Acceptance**")) (**Annexure-H**).
- (b) Letter of acceptance shall include following:-
 - (i) the name and address of the procuring agency;
 - (ii) the name and address of the contractor/firm;
 - (iii) the reference number of the procurement (if any);
 - (iv) a brief description of the works procured;

- (v) the date and reference number of the bidder's tender (if any);
 - (vi) the currency and **Contract Price**, which, the procuring agency will pay to the contractor in consideration of the execution and completion of work within completion period as prescribed in the contract;
 - (vii) a request that the contractor confirm receipt of the Notice of Acceptance and confirm that it is proceeding with contract performance;
 - (viii) instructions on any immediate actions required from the contractor e.g. provision of a performance security & signing of the agreement.
- (3) once the letter of acceptance is received (along with the draft agreement) by the contractor, then he/it shall be liable to submit the performance security guarantee and sign the agreement of contract within stipulated time mentioned in the letter of acceptance.
- Procuring agency is required to keep evidence of dispatch, such as proof of posting, fax confirmation slip etc and confirmation of receipt of the letter of acceptance is received by the bidder.
- (4) the necessary funds must also be committed in writing from authority competent to release the funds prior to issue of the letter of acceptance if funds are not released.

7.12.2 Performance Security (SPP Rule 39): Procuring Agency shall, in all procurement of works, carried out through open competitive bidding, require security in an amount sufficient to protect the procuring agency in case of breach of contract by the contractor, provided that the amount shall not be **more than ten percent of the contract price**.

Normally in contracts of works, five percent of total bid cost is obtained as performance security and remaining part is deducted from running bills as security deposit and same must be mentioned in the Data Sheet of Bidding Document.

The successful bidder shall furnish to the Procuring Agency a performance security in the form and the amount stipulated in the conditions of contract within a period of fourteen (14) days after the receipt of letter of acceptance:-

- (i) amount of performance security should be mentioned in the bidding document and also stated in the letter of acceptance. The amount of the security may vary, depending on the nature and magnitude of works, but in any case shall not **exceed 10% of total bid cost stated in the letter of acceptance**;
- (ii) performance security shall be provided in an appropriate form; and must be obtained either in the form of Bank Guarantee from the schedule bank or as prescribed in regulations issued by the Authority;
- (iii) **Time Limit:** Contractor should provide performance security within time mentioned in the letter of acceptance; (Normally within **14 days** after the receipt of the letter of acceptance).
- (iv) **Period of Validity:** The period shall extend sufficiently beyond the date of completion of the works to cover the defects liability or maintenance period up to the final acceptance by the procuring agency. It depends on the nature and magnitude of the contract; however it should not be less than 90 days, and shall be clearly stated in the bidding document.
- (v) **Release of Performance Security:** After expiry of defect liability period and final acceptance by the procuring agency; the same is released to the contractor. However it shall be reflected in terms and conditions of the contract.

7.12.3 Security Deposit: Procuring Agency will retain/deduct from each interim/running payments due to the contractor, the security deposit in proportion stated in the contract data/data sheet until completion of the whole of the works. *The cumulative total of such amount will be 5% of bid total mentioned in the letter of acceptance. In this way total amount with procuring agency will be ten percent of bid cost in the shape of performance security and retention money/security deposit.* Recoveries so made from contractor are returned to him by the procuring agency as per terms and conditions of contract.

- (i) **Release of Security deposit:** It can be released in either of following ways, but the same shall be mentioned in the contract data /special conditions of the contract:-
- (a) On completion of the works; half the total amount retained is refunded to the contractor and half when the defects liability period has passed and the engineer has certified that all defects notified to the contractor before the end of this period have been attended to his satisfaction;
- (b) full amount be released after completion of defect liability period.

7.12.3 Contract Agreement.

The contract document confirms in writing the contract which has been agreed and formed between the procuring agency and the contractor. It defines the works and physical services to be provided, the price to be paid for them and establishes the rights and obligations of each party. The contract is the governing document for administration of the contract.

Steps to be followed are listed below:-

- (i) assemble the complete contract document, by including all necessary documents in the correct order. Ensure that the contract does not include any terms or conditions which vary from the successful bidder's tender, which was accepted by the letter of acceptance;
- (ii) make the required number of copies of the approved contract and bind or secure the pages in such a way that pages cannot be replaced or lost. The number of copies required must be at least two – one for the bidder and one for the procuring agency. The authorised signatory for the procuring agency should sign all copies of the contract.
- (iii) within 28 days of receipt of the letter of acceptance, send the all copies of the contract to the bidder, with a covering letter or contractor shall attend the offices of the procurement agency for the purpose of signing the agreement duly stamped at the rate of -----% of the contract value (as amended and updated by the Government from time to time and which shall be borne by the contractor).¹⁰
- (iv) failure to sign the agreement shall lead to cancellation of the award and forfeiture of the bid security.

7.12.4 Publication of the Award of Contract (SPP Rule 50):

This is a very useful step to improve transparency. The public and the bidders have a right to know the outcome of a public tender. The publication will also reveal the time taken by the procuring agency in finalizing the award, which will encourage quick decisions.

Within seven days of the award of contract, procuring agency shall publish on the website of the Authority and on its own website, if such a website exists, the results of the bidding process, identifying the bid and lot numbers, and the following information along with Contract Award Proforma: -

¹⁰ Refer Book Stamp Duty, under stamp Act 1989 as applicable in the province of Sindh.Item15 Contract P-5.

- (i) evaluation report;
- (ii) form of contract & letter of award;
- (iii) bill of quantities.

7.13. Debriefing (SPP Rule 51): This practice of notifying and debriefing unsuccessful bidders provides unsuccessful bidders with a fair opportunity to appeal, under the administrative review procedures, if they feel that the procurement has not been properly conducted.

The unsuccessful bidder after hoisting of bid evaluation report or publication of contract award who wishes to ascertain the grounds on which its bid was not selected, should request in writing to the procuring agency, which shall promptly provide reasons as to why such bid was not selected, either in writing and/or in a debriefing meeting, at the option of the procuring agency. The requesting bidder shall bear all the costs of attending such a debriefing.

Debrief letters should contain sufficient detail to provide the unsuccessful bidder with an explanation of why he did not win a contract. Debrief letters must be prepared individually for each unsuccessful bidder, as they should not disclose information on other bidders, with the exception of limited information on the successful tender.

The debrief letter should state at which stage of the evaluation the tender was rejected, i.e. preliminary screening, detailed evaluation or financial evaluation.

- (a) **Preliminary screening:** Where a tender was rejected during the preliminary screening, the letter should give a brief statement of the reason or reasons for rejection. For example:
 - (i) bid security was not attached/issued by an acceptable institution;
 - (ii) bid was not signed and authorised; or
 - (iii) bid validity was not of required period.
 - (iv) valid registration certificate from PEC/relevant professional body or tax authorities is not attached;
 - (v) an eligibility criterion is not fulfilled.
- (b) **Detailed evaluation:** Where a tender for works or routine services was rejected during the detailed evaluation, the letter should give a brief statement on how it failed to meet the technical specification or standard required or how it was commercially unacceptable. For example:
 - (i) proposed payment terms did not comply with the conditions stated in the bidding document and were not acceptable to the procuring agency; or
 - (ii) supervisory staff did not have appropriate qualifications or sufficient experience for the contract;
 - (iii) completion period is different from specified period in the bidding document;
 - (iv) advance payment demanded is not as specified in bidding document.
- (c) **Financial evaluation:** Where a tender was rejected during the financial evaluation, the letter should state:
 - (i) that the bidder has submitted the lowest priced, but it is not responsive bid (Least Cost).

7.14. Bar on negotiations (SPP Rule 52):

Negotiations with the bidder having submitted the lowest evaluated bid or with any other bidder are not allowed.

The officials and the auditors believe that negotiation results in savings to the public exchequer and in fact encourage negotiation, at least with the lowest bidder. The procuring agency believes that he has saved public money and the auditor applauds him. They fail to realize that all bidders include a cushion in their bid price to give up when called for negotiation, but never give up more than what they have included, often less.

In some agencies, for tenders of goods, negotiations are carried out with all the bidders requiring them to 'match' the price of the lowest or quote a revised lower price, and then, the quantity in the schedule is divided up, making a mockery of the bidding process.

Under no circumstances shall negotiations be held to change the lowest responsive price.

SPPRA

8. REDRESSAL OF GRIEVANCES AND SETTLEMENT OF DISPUTES.

Details regarding formation of committees and their powers and time limits for lodging complaints are explained vividly in the SPP **Rule 31, along with** complete procedure and time limit and other conditions..

8.1. Matters Not subject to Appeal or Review (Rule 33). The following shall not be subject to the appeal or review:-

- (i) selection method adopted by the procurement committee;
- (ii) decision by the procuring agency to reject all tenders, proposals, offers under SPP Rules.

8.5. Arbitration. (Rule 34)

- (i) after coming into force of the procurement contracts, disputes between the parties to the contract shall be settled by arbitration;
- (ii) procuring agencies shall provide for a method of arbitration in the procurement contract, not inconsistent with the laws for the time being in force in Pakistan;
- (iii) arbitration will be held in the Sindh province.

8.2. Blacklisting of suppliers and contractors. (Rule 35)

Procuring Agency after investigating it, determines that bidder is involved in “Corrupt and Fraudulent Practices” as described in SPP Rule 2 (q), or underperforming the contract(s) then action against that bidder can be initiated as stated in the Rule.

9. Schedule /Programme of work and Payments

(Following Paras are not related to the process of procurement of works, but have relevance after award of contract and are governed by Terms and Conditions of Agreement.)

9.1 Work Programme.

- (1) Contractor shall within 28 days after the receipt of the letter of acceptance submit to the Engineer in charge for his approval three copies of a programme (Activities of schedule) for the execution of works. Complex projects require a series of activities, some of which must be performed sequentially and others can be performed in parallel with other activities. This collection of series and parallel tasks can be modeled as a network.

The Procuring Agency shall specify the work programme through one of the following methods;

- (a) **Critical Path Method (CPM).** This method was developed as a network model for project management in 1957. CPM is a deterministic method that uses a fixed time estimate for each activity. While CPM is easy to understand and use, it does not consider the time variations that can have a great impact on the completion time of a complex project.
 - (b) **Program Evaluation and Review Technique (PERT).** This method was developed in 1950 and is a network model that allows for randomness in activity completion time. It has the potential to reduce both the time and cost required to complete a project. PERT is a variant of Critical Path Analysis that takes a more skeptical view of the time needed to complete each project stage.
 - (c) **Simple Bar Chart.** This is simple and most commonly used. In this method specific activity is identified with time required for its completion along with activity start and end dates in form of Bar. The progress achieved is verified with targets mentioned therein.
- (2) Programme shall identify each of the activities to be carried out for the construction and completion of works but not limited to following:-
 - (a) mobilization and the installation of the site facilities,
 - (b) principal quantities of the work to be executed each month,
 - (c) number and type of the Contactor's equipment and manpower to be utilized each month,
 - (d) schedule of monthly payment forecast for the duration of works.
 - (3) If the actual progress of the works does not conform to the approved programme, the contractor shall produce the revised programme showing the modifications to such programme necessary to ensure completion of the works within stipulated period of completion with additional resources needed to cover the slack time.

9.2 Commencement of Works. Commencement date of the works shall be the date notified by the Engineer in writing. The contractor shall commence the work within 14 days after the date notified by the Engineer. Completion period will be counted from the date of receipt of the commencement order by the contractor.

9.3 Payments:

(1) Interim/Running Payments.

- (a) Statement/running account bill received by the Executive Engineer/ Project Director duly certified by the Assistant Engineer or Engineer in case of projects

after deducting the security deposit/retention money and other advances is to be paid to the contractor within 28 days after its receipt or as mentioned in terms and conditions of the contract;

- (b) bill submitted by contractor is to be verified/certified by assistant engineer/representative of Engineer within specified time mentioned in conditions of agreement;
 - (c) all intermediate and running payments to the contractor against measurements are made through running account bills, and for all purposes are treated as measured advances subject to adjustment in final measurement/bill
- (2) **Advance Payments:** Financial assistance is given to the contractor to enable him to overcome financial encumbrances and shall be made available by adopting any one of the following methods:-
- (a) **Secured Advance** on the written request of the contractor whose contract is for finished work is allowed to a contractor on the basis of non-perishable¹¹/non-combustible materials brought and properly stocked/stored to site of work. Secured advance as a good practice is avoided/discouraged. However, wherever allowed, it should be strictly in conformity with the rules and procedure in addition to the condition mentioned below:-
 - (i) on verification and certification of quality, quantity and market rates of the material by the Assistant Engineer/Engineer's representative;
 - (ii) contractor has to furnish the **"Indenture Bond" (Annexure I)**;
 - (iii) secured advance shall be paid to the contractor on the quantities brought and properly stored at site of work. Full quantities of materials for entire work / contract should not be advanced;
 - (iv) recoveries of advances so made should be made from his bills for work done as the materials are used, the necessary deductions be made whenever the items of work in which are used are billed for, or shall be recovered in full within 90 days, even if unutilized;
 - (v) new secured advance should not be allowed until and unless the previous advance, if any, stands fully recovered,
 - (vi) advance amount is calculated on the basis of 75% of the market value of that material.
 - (b) **Mobilization Advance:**

Mobilization advance is extended to the contractors, up to 10% of contract cost stated in the letter of acceptance, usually for the projects worth Rs. 2.5 million and above to enable them to make initial arrangements for starting work. Mobilization advance is allowed on the contracts where contract conditions provide for same, or the authority competent to accepting tender can allow the mobilization advance on the works subject to following conditions:

- (j) contractor has **signed** the contract,

¹¹ Stone aggregate, steel, bricks, blocks and other materials which do not suffer destruction, lose life or subject to speedy decays are termed non-perishable. However Works and Service Department has allowed advance on steel only.

- (ii) contractor has provided the **performance security**;
- (iii) contractor has furnished the **irrevocable bank guarantee of amount equal to mobilization advance** in specified form from a scheduled bank in Pakistan in favor of the procuring agency (**Annexure J**);
- (iv) contractor shall pay interest on the mobilization advance at the rate of 10% per annum on the advance as prescribed in *Sindh Financial Rules*. The rates may vary and are subject to change from time to time as per instructions issued by the Government.
- (v) advance including the interest shall be recovered in 5 equal installments from the 5 R.A bills and in case the number of bills is less than five (5), then 1/5 of the advance inclusive of the interest thereon shall be recovered from each bill and the balance together with interest be recovered from the final bill. It may be insured that there is sufficient amount in the final bill to enable recovery of the mobilization advance. When sufficient amount is not available in final bill, then amount is adjusted from deposits available with procuring agency or by any other means as the procuring agency may deem appropriate.

(c) materials to be supplied by the Procuring Agency. Materials, like cement, steel, bitumen or any other material whichever deemed necessary to complete the project/work can be supplied to the contractor by the procuring agency. The list of materials, quantities and rates to be charged from the contractor, shall be given in the Schedule “A” conditions; and the cost thereof shall be recovered from the contractor through monthly statements/running bills on the basis of actual consumption subject to following conditions:-

- (i) the list of materials, quantities, place or places of delivery and rates to be charged to the contractor for each description of material shall be provided along with Appendix-B to Bid “Special Stipulations”.
- (ii) It shall be obligatory on the contractor to obtain from procuring agency all such materials required for the work and for making payments therefore, by deductions from the bills at the rates specified, regardless of fluctuations in the market rates or stock rates of the procuring agency;
- (iii) no carriage or incidental charges are borne by procuring agency for moving the materials beyond the place where contractor has agreed to take delivery thereof;
- (iv) issue of materials to contractors for *bona fide* use on works is exempted from the usual charges of 10% on account of supervision, storage and contingencies, which is made when stock materials are sold to the public^{12, 13}.

¹² [Fin. R.232 (c)]

¹³ (Procuring Agency may opt for either “Secured Advance on Materials”” or “Materials to be supplied by the Procuring Agency” as explained above.

10. Extension of time for completion, liquidated damages and closing of contract.

(Actions are to be taken as per conditions of contract)

Time is essence for contract. Effective contract administration is critical to successful contract implementation. Extensions in the contract period should normally be discouraged, however in exceptional cases; the contract period may be extended, wherever inevitable, with penalty or without penalty as per conditions of the agreement.

10.1 Extension free of liquidated damages/penalty is accorded on account of delays or events beyond the control of contractor, such as:-

- (a) amount or nature of extra or additional work, or
- (b) exceptionally adverse climatic conditions, or
- (c) any delay, impediment or prevention in completion of work by the procuring agency, or
- (d) other special circumstances which may occur, other than a default or breach of contract by the contractor, for which he is responsible, or
- (e) possession of site/plot is not handed over to the contractor by the procuring agency. In this case commencement date can be re-fixed or completion period is enhanced.

10.2 Extension of Time: Extension of time to which contractor is entitled will be determined by the Engineer on the basis of reasons stated in the application submitted by the contractor, describing the detailed particulars of the event(s), within the specified period mentioned in the **conditions of the contract**. Suggested form for deciding the extension is attached as **(Annexure J2)**.

10.3 Liquidated Damages for Delay: If the contractor fails to comply with time for completion mentioned in bid data except the conditions mentioned above, then procuring agency can penalize the contractor by adopting any one of the following course:-

- (a) in circumstances where the delay has occurred on account of oblivion of the firm/contractor, extension may be accorded with penalty to maintain continuity in work and to avoid delay on account of termination of the contract and appointment of another firm/contractor;
- (b) if the contractor fails to complete the work to the satisfaction of the client even within the time extended free of the penalty, then he is bound to pay liquidity damages for the delay;
- (c) Liquidities damages shall be deducted from the contract amount for every day or part of a day, which will elapse between the dates on which the prescribed time expired and the date the work is completed at the rate specified in the contract agreement. The amount of the liquidated damages for each day of delay in completion of the whole of the works, or if applicable for any section thereof, shall be a sum equal to 5 to 10 % (*it is to be mentioned in the agreement*) of the estimated cost of the works divided by one-fourth of the number of days specified as completion time.

Formula: LD (per day) = 5% to 10% OF Estimated or Bid Cost/ 0.25*Time for completion (days).¹⁴

¹⁴ Total liquidity charges shall not exceed 10% of bid cost.

10.4 Reduction of Liquidated Damages.

In case substantial work or any section is completed and certificate of such completion is issued, the liquidated damages for delay in completion of the balance work or section shall be reduced in proportion, which the value of the part or section so certified bears to the value of the whole works. This reduction shall only apply to the rate of liquidated damages and shall not affect the limit thereof.

10.5 Closing of Contract (Rule 57). The contracts should not be kept open beyond prescribed completion schedule, enabling timely audit besides curbing time and cost over runs. It is important that contracts are formally reviewed and the procurement file closed, once all contract activities and obligations have been completed:-

- (1) except in case of defect liability or maintenance by the contractor, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of taking over certificate which shall be issued within thirty days of final completion of works enabling the contractor to submit final bill and the procuring agency to carry out inspection of works as provided in the contract agreement;
- (2) except in case of defect liability or maintenance period, defect liability certificate shall be issued within thirty days of the expiry of the period enabling the supplier or contractor to submit the final bill.,
- (3) except for unsettled claims, which shall be resolved through arbitration, the bill shall be paid within the time given in the conditions of contract;

Project/Scheme is not considered as complete without formulation of **PC-IV**, which is also termed as **COMPLETION REPORT/COMPLETION STATEMENT**. Upon physical completion, such project/scheme is considered as complete, and is taken on the registers of the custodian department for the purpose of maintenance and upkeep. Once the PC-IV (**Annexure L**) is submitted, the project/scheme is transferred from the capital to revenue head.

10.6 Extension in Implementation Period.

The project/scheme is approved with specific period of completion. Efforts should be made to complete the project within the stipulated period to ensure flow of benefits well in time. Due to certain reasons, if extension in the implantation period is in-avoidable to achieve the planned objectives, the principal accounting officer of Ministries is competent to accord extension in the implementation period but within the approved cost of the project/scheme. The planning and development department be informed accordingly.¹⁵ (**Annexure M**)

¹⁵ Source: Planning Commission

11. MISCELLENOUS

11.1 TECHNICAL. Development work shall not be started unless following conditions are fulfilled:-

- (i) Administrative Approval is issued;
- (ii) Technical Sanction is obtained;
- (iii) Funds are released;
- (v) Commencement order is issued after approval of recommended rates/evaluated bid by the competent authority to whom powers are delegated for approval of tenders.
- (vi) Contract agreement duly stamped is signed by both parties.

11.1.1 Administrative Approval: The issue of Administrative Approval by the department after the scheme is cleared in the competent forum is a mandatory pre-requisite for physical implementation of any scheme. It is a concurrence and formal acceptance of the Administrative Department concerned to the incurring of the proposed expenditure to execute specified works at a stated amount to meet its requirements. The process requires following steps:-

- (a) administrative department shall assess the requirements/scope of the scheme and will intimate to executing agency for preparation of **Rough Cost Estimate**;
- (b) on receipt of scope of the scheme, line or preliminary plans are prepared and same are sent to Administrative Department (AD) for signature as token of acceptance. Then Rough Cost Estimate is framed either on the basis of standard plinth area rates or detailed estimates on Composite Schedule of Rates or Market Rates (Rate Analysis) to arrive at the probable cost of the scheme;
- (c) **PC-I** is prepared by Administrative Department by adding additional data depending on the requirements of the scheme such as, completion period, source and schedule of funding, stating requirement in local and foreign currency, **revenue component** and other details to identify the benefits and merits of the proposal after completion,
- (d) depending on cost and source of funding, **Approval of PC-I** is obtained from competent forum as stated above;
- (e) minutes of meeting and advice is issued by the forum who cleared/approved the scheme and on this AD will prepare Administrative Approval and send to Finance Department for authentication (advice is not required when scheme is approved by DDWP), and then only Administrative Approval is issued by the Administrative Department.

No work can be started simply on the strength of availability of funds, which if received in absence of Administrative Approval will initially be surrendered or its utilization on any other scheme attempted through re-appropriation.

11.1.2 Excess over Administrative Approval: PC-I of the scheme/work does not need revision, if scheme is to be completed with cost not exceeding and above 15 percent excess over the original cost of Administrative Approval. (**Annexure O**)

11.1.3 Revised Administrative Approval: PC-I of the scheme/work is required to be revised when any of the following conditions exists:-

- (i) original scope is modified/changed, even though the cost of the same may possibly be covered by savings on other items in the original rough cost estimate;

- (ii) when the expenditure on a work/scheme exceeds, or is found likely to exceed the administratively approved amount by more than 15 percent.

Timely submission of revised rough cost estimate is required for revised administrative approval to maintain un-interrupted continuity in execution, and same should be obtained from the authority competent to approve the enhanced cost. No excess can be allowed over the revised cost (**Annexure-O**).

11.1.4 Modified Administrative Approval: - After issuance of administrative approval, but before the start of work or incurring of the expenditure on such scheme/work, it is found that cost is not sufficient for completion of the scheme due to inadequate financial/ physical provisions, then PC-I of the scheme is modified by incorporating additional provisions and thus administrative approval issued on Modified PC-I is called **Modified Administrative Approval** and have built in cushion of 15 percent excess on Modified AA cost.

11.2 Technical Sanction: - The detailed estimate prepared by the executing agency keeping in view its technical feasibility and provisions in the PC-I, is submitted to competent authority for the sanction is known as the **Technical Sanction (TS)** to the estimate.

The competent authority while giving technical sanction to the detailed estimate shall give proper consideration to various details worked out from the drawings and specifications of the work, as well as stability and economy in the execution. Financial Review showing the comparison between provisions in the RCE and amount of technical sanction of same items is also attached also to check whether the excess is within allowable limit or not.

11.2.1 Documents & Data: - Detailed estimate to be sanctioned by competent authority requires relevant information to be attached in form of data, documents, detailed measurements worked out from drawings and cost abstract of items based on the specifications and rates provided in CSR or rate analysis prepared on market rates. Documents and data attached depend on the nature of project/scheme and comprise the following:-

- (i) lay out/site and location plan/index map showing the alignment of road/lines of main and distributary piping;
- (ii) detailed drawings including sections of the structures, 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;
- (iii) soil investigation report including bearing capacity, water table level and qualitative tests;
- (iv) structural design of all structures (calculations and reinforcement details);
- (v) quarry locations including cartage statement;
- (vi) hydraulic Data.
- (vii) specifications;
- (viii) financial review /comparative statement of provisions in rough cost estimate and detailed cost estimate (**Annexure P**).

The competent authority while giving technical sanction to the detailed estimate shall give proper consideration to various details worked out from the drawings, specifications of the work, stability and economy in the execution.

11.2.2 Revised Technical Sanction (RTS): - Detailed Estimate needs revision when during execution it is anticipated that cost of completion is to exceed beyond the permissible limit (5%). Revised detailed estimate is timely prepared incorporating the work done and required to be done along with deviation statement for submission to competent authority to accord **Revised Technical Sanction(RTS)**, provided that overall cost of the scheme continues to be within the permissible excess

of 15% over the Administrative Approval Cost. No excess is allowed over the cost of revised technical sanction.

11.2.3 Starting the Work in Anticipation of Technical Sanction: - No work can be started until and unless technical sanction is accorded by the competent authority. However **in case of emergencies** when it is not possible to get the technical sanction in time, the adopted specifications /Manuscript copy may be got approved from the competent authority in advance before the work is started. However the estimates for technical sanction be submitted without wasting any further time ¹⁶

11.2.4 Commencement of work in anticipation of detailed estimates of the Complete Project. In exceptional cases where it is desirable to commence work on the project comprising of various components which has been administratively approved and funded before the detailed estimate for the whole project has been prepared, it is permissible for the authority competent to give the final technical sanction to accord sanction to detailed estimates for component parts of the project, subject to following conditions:-

- (i) for each such work or component part, there must be a fully prepared detailed estimate and, in the administrative approval, there must be a clear and specific amount corresponding to the work or component part in question;
- (ii) amount of the detailed estimate must not exceed the amount included in the administrative approval by permissible limit;
- (iii) the sanctioning authority must be satisfied, before according sanction, that the amount of the technical sanction for the whole project is not likely to exceed the administrative approval by permissible limit and that the work or component part in question can be commenced without affecting or being affected by any other part of the project, financially or otherwise¹⁷.

Financial Review attached with detailed estimate submitted for technical sanction must envisage the provisions of all components of the project in following manner:-

- (i) Amount of estimates of components already sanctioned;
- (ii) Amount of estimates of components submitted for sanction;
- (iii) Amount of estimates of components yet to be sanctioned.

11.2 .5 Terminating a Contract:

Procuring agency is entitled to terminate the contract at any time as per terms and conditions of contract. Termination of contracts always results in *cost and time over run* therefore it should be avoided. However, sometimes it may be necessary to terminate a contract:

- (i) to avoid or minimise further loss to the procuring agency or poor performance by the contractor;
- (ii) where contract performance has become impossible; or
- (iii) where a contractor is no longer qualified or has engaged in corrupt practices.

11.2.6 Proceedings for Termination:

- (i) identify the need to terminate the contract;
- (ii) to confirm the conditions of contract relating to termination;

¹⁶ WP B&R Code paragraph 2.82(2).

¹⁷ WP B&R Code paragraph 5.4

- (iv) identify the grounds for termination which will be used and ensure that the procuring agency has sufficient justification for using the selected grounds.
- (iv) estimate the amount of money, if any, which will be due to the contractor following termination.
- (v) prepare a formal notice, terminating the contract stating therein grounds for termination;
- (vi) issue the termination notice and ensure that it is received in the prescribed period by the contractor;.
- (vii) take any follow-up action, including making of any payments due to the contractor under the contract;
- (ix) a copy of the notice terminating the contract shall be kept on the procurement file. Any other correspondence or documentation relating to the termination shall also be kept in the procurement file.

No further action is required following termination of a contract. Any new procurement proceedings, in place of the terminated contract, should be treated as a completely separate procurement.

If the contractor terminated the contract because of failure by the procuring agency, then cause of the failure along with procedures or policies that need improvement is to be determined to ensure that this does not happen again.

11.3 Financial Issues:

11.3.1 a) Work cannot be commenced without release of fund, when budgetary provision exists.

No work can be started simply on the basis of allocation of funds for the scheme by the Government, unless following formalities are completed:

- (i) administrative approval is obtained (in case of development work);
- (ii) detailed design and estimate have been sanctioned,
- (iii) funds for the scheme are released, and
- (iv) commencement order is issued by the competent authority.

In case of urgency, until an assurance has been received from the authority competent to provide funds that such funds will be allotted before the liability matures.¹⁸

11.3.1 (b) Commencement of work when no financial provision exists.

- (i) If in any case, whether on grounds of urgency or otherwise; Engineer is required to carry out a work for which no estimates have been sanctioned or for which no financial provision exists (whether estimates have been sanctioned or not) the orders of the officer authorizing the work should be conveyed in writing. On receipt of such written orders, the officer who is directed to carry out the work should immediately intimate to the Accountant General that he is incurring a liability for which there is no provision or inadequate provision of funds and should, at the same time, intimate the approximately the amount of liability which likely to be incurred due to compliance of the written orders which he has received. The Accountant General will then be responsible for bringing the facts instantly to the notice of finance Department, with a view to necessary steps being taken either to stop the progress of the work or to regularize its execution.

¹⁸ .{WP B&R Code paragraph 2.82 (1) &(2)}.

There should be no hesitation in enforcing disciplinary action against any officer, administrative or executive, who fails or delay to compliance of orders communicated by the Accountant General with these orders.

- (ii) verbal orders for the commencement of work are to be depreciated as being liable to mis-apprehension. but in cases where such orders are given they should ordinarily be confirmed in writing as soon as possible thereafter.¹⁹

11.3.2 Excess Expenditure over released Grants/Allotments.

Permissible ceiling limits of excess and savings over the released grant for each primary unit of appropriation/item of work done are as under:-²⁰

- (i) Expenditure should be restricted to released amount;
(ii) Saving to the extent of 5% of released grant.

11.3.3 Acceptance of Tenders when the amount exceeds the Engineer's Estimate by 20%.

Powers to accept the tenders for officers in various categories in different departments are delegated and stated in "The West Pakistan delegation of Powers under the Financial Rules and the Powers of Re-appropriation Rules, 1962" Updated from time to time.

In case tenders are invited on the items of Composite Schedule of Rates, where contractor has to quote the premium on Schedule B, then its premium shall not to exceed the Engineer's Estimate by 20% as shown below:-

COMPARATIVE STATEMENT:

Option A.

In this case, cost of cartage is not paid separately as same is adjusted in the quoted premium but cost of escalation on materials is paid separately as per consumption.

Engineer's Estimate.			Premium Quoted by Bidder.			
Schedule B Cost	Carriage Cost.	Total Cost	Schedule B Cost	Premium Cost	Total Cost	Remark
1	2	3=1+2	4	5	6=4+5	7=(6-3)/3*100
4.523 Million	0.831 Million	5.364 Million	4.583 Million	1.8332 Million (40%)	6.4162 Million	18.78% (Within 20%)

Option B.

In this case, neither cost of cartage nor cost of escalation on materials is paid separately but both are adjusted in the quoted premium in order to justify the premium quoted by the lowest bidder:

¹⁹ (Refer WP.B.R Code Paragraphs 2.82 & 2.83, SFR Para 188 for details).

²⁰ Decision of P.A.C held on 6.8.1986

Engineer's Estimate.						Premium Quoted by Bidder.			
Schedule B Cost	Carriage Cost.	Total Cost 3=1+2	20% Premium On col:3	Escalation Cost on Materials (As per material statement)	Total Cost 6=3+4+5	Schedule B Cost	Premium Cost	Total Cost 9=7+8	Remark
1	2	3	4	5	6	7	8	9	10=9-6
4.523 Million	0.831 Million	5.364 Million	1.0728	0.142 Million	6.5788 Million	4.583 Million	2.0623 Million (45%)	6.6453 Million	+0.0665 Excess over 20%

Note: - If The premium quoted by the bidder is not within allowable limit of 20%, then approval may be obtained from the Finance Department or the tender be floated afresh.

11.4 Legal. Provisions dealing with disputes and grievances regarding procurement process and execution of contract shall be included in the Conditions of Contact.

11.4.1 Disputes and grievances regarding Bidding Process are settled by the mechanism stated in the Chapter 8 of this Regulations "Redressal of grievances and settlement of disputes".

11.4.2 Disputes during Execution. Conditions of contract shall specify the applicable law and the forum for settlement of disputes during the course of the execution of the contract. Redressal mechanism is normally of two tier system as mentioned below:-

- (a) **Decision of Procuring Agency/Superintending Engineer.** If contractor is not satisfied with decision of Engineer in charge, then he has to appeal to procuring agency/higher officer (Superintending Engineer) within allowable time. Higher authority has to decide the matter within time stated in the Condition of Contract. In case decision is not given within the specified time limit or the contractor is not satisfied with the decision, the contractor may opt for arbitration subject to the provision in the Conditions of Contact.
- (b) **Arbitration:** The Law of Arbitration is nothing but a law of compromise within the frame work of agreement of parties if not opposed to public policy. Arbitration is not different from conciliation. It is open to parties to settle their differences as per provisions of Arbitration Act 1940 (Act No. X of 1940 and rules made there and statutory modifications thereto) and shall be held at the place specified in contract data. The act provides for three classes of arbitration:-
- (i) Arbitration without court intervention;
 - (ii) Arbitration where no suit is pending, (but through court) and
 - (iii) Arbitration in suits (through court).

11.4.3 Appointment of Arbitrators.

- (i) Where the arbitration agreement does not specify the number, the arbitration shall be by a sole arbitrator;
- (ii) If the consensus is not developed on the name of arbitrator by the parties, then there will be two arbitrators;
- (iii) Where the arbitration agreement is silent about the mode of appointment of arbitrators and the parties cannot agree about choice of the arbitrator, the Act gives power to the court to make the appointment, after following the prescribed procedure.

To avoid confusion or disagreement regarding names of the arbitrators, the names of the arbitrators by both parties be mentioned in the agreement at the time of the signing.

11.4.4 Appointment of Umpire.

- (i) In case of the number of arbitrators is even, an umpire be appointed according to procedure specified in the Arbitration Act 1940;
- (ii) in case of disagreement regarding the proceedings/award, the parties shall avail the facilities of an umpire whose decision in the matter will be final. In case the arbitrations are not accepted by any one of the parties and they are not satisfied by the umpiring then the matter shall be precede in court of law.

11.4.5 Time Limit.

The award must be pronounced within the time limits laid down in the arbitration agreement or (failing such agreement), within 4 months of the commencement of Arbitration proceedings. However, the time limit can be extended by the court in certain circumstances.

11.4.6 Court Control over the Award.

An award cannot be enforced, by itself. Judgment of the court has to be obtained in terms of the award. In the scheme of Arbitration Act 1940, the court may:-

- (i) totally accept the award, i.e. pass judgment in terms of award; or
- (ii) totally reject the award, i.e. set aside the award; or
- (iii) adopt the intermediate course of modifying or remitting it, i.e.
 - (a) modify or correct the award;
 - (b) remit the award (on any matter referred to arbitration) for re-consideration by the arbitrator or umpire.

ANNEXURES

(Annexure- A)

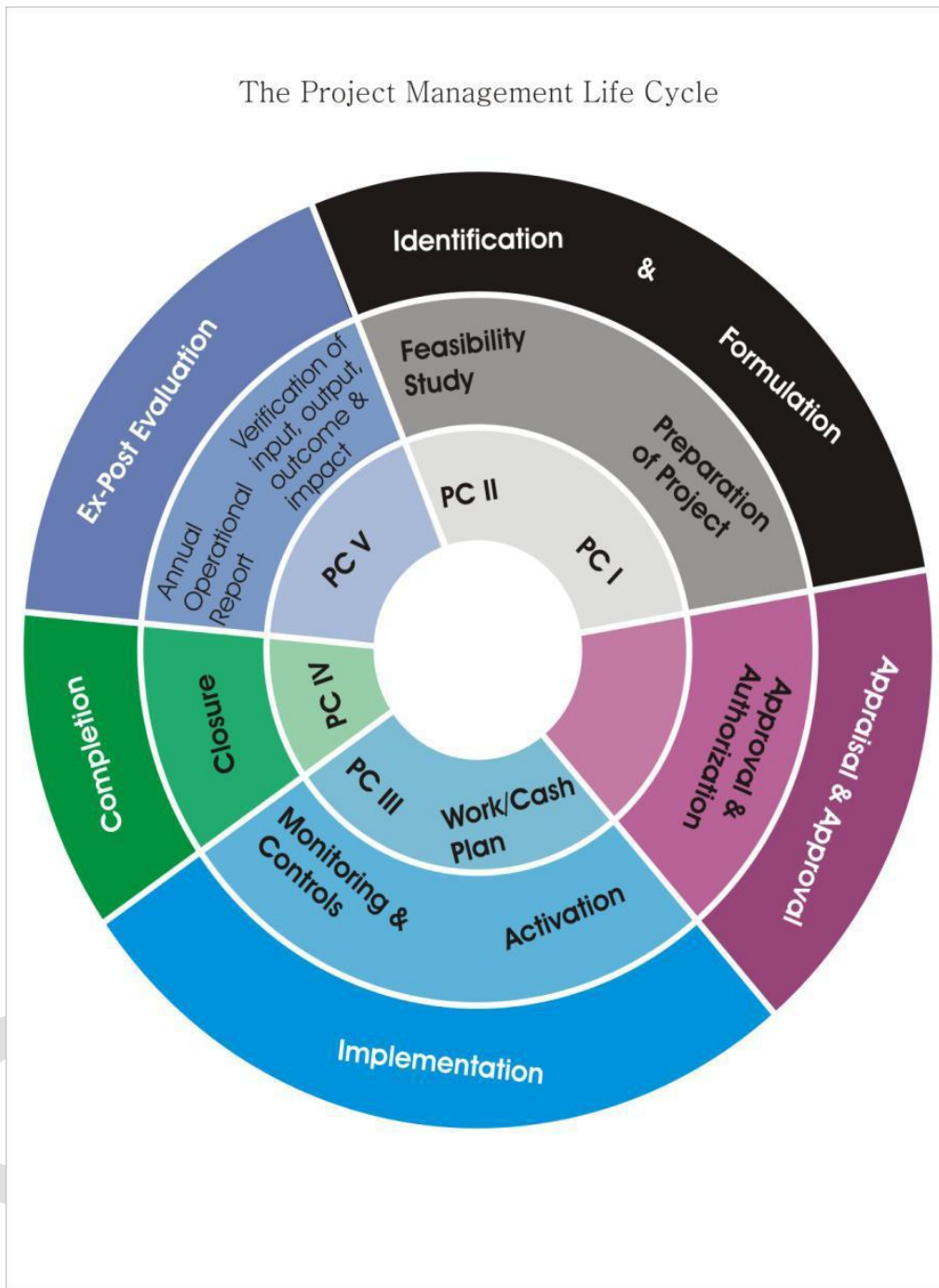
PROCUREMENT PLAN (Development/Capital)

Serial No/ ADP No*	Name of Scheme & Estimated Cost	Allocated Funds	Cost of ongoing works (Expenditure already incurred)	Funds earmarked for ongoing works	Cost of New works (components)	Funds for New works (c-e)	Nature of Procurement	Method of Procurement	Anticipated /Actual Date of Advertisement	Anticipated /Actual Date of Start	Anticipated /Actual Date of Completion
a	b	c	D	e	f	g	h	i	j	k	l
1.											
2.											
3.											

ANNEXTURE_ II
PROCUREMENT PLAN (Non-Development)

Serial No	Fund Head & Sub head	Name of work and break up	Allocated Funds and break up for different locations /sites	Items to be executed	Method of Procurement	Anticipated /Actual Date of Advertisement	Anticipated /Actual Date of Start	Anticipated /Actual Date of Completion	Remarks
a	b	c	d	f	h	i	j	k	l
1.									
2.									
3.									

Annexure-B



By courtesy of Planning Commission Pakistan

Annexure-C

The Pakistan Times, Monday, December 28, 1987.



PAKISTAN ENGINEERING COUNCIL

LICENCE FOR CONSTRUCTORS AND OPERATORS

In accordance with the Federal Government official Gazette Notification issued under SRO No. 569/1/87, dated 8th July 1987, all constructors and operators of engineering works are required to submit their applications to the Pakistan Engg. Council within six months of the notification, which expires on 7th January 1988. The notification was circulated to all the heads of engineering departments who utilize the services of constructors and operators for advising concerned agencies to obtain the form and submit applications by required date and obtain licence. Large number of organisations have advised their agencies accordingly and as a result persons/firms undertaking construction works less than Rs. 25 lac are approaching the Council for issue of licence. It is clarified for all constructors that according to notification, agencies undertaking construction work costing upto Rs.25 lac are not required to obtain licence from the Council. All constructors/operators are advised to submit their applications by 7th January 1988 for issue of licences. All employing agencies, organisations, departments, Development Authority are requested to advise their constructors and operations to submit their application forms by 7th January 1988 for issue of licence. The application forms for licence can be obtained from the office of Pakistan Engineering Council, 52, Margala Road, F-6/3, Islamabad, by personal contact or by post. The applications already submitted have been scrutinised and licences have been issued.

REGISTRAR
BASHIR AHMAD SHEIKH

Annexure-C

**REGISTRATION CATEGORIES AND SPECIALIZATION
OF CONSTRUCTIONS/ OPERATORS**

CATEGORY	CODE	SPECILIZATION	DESCRIPTION
CIVIL ENGINEERING CONSTRUCTION (CE)	CE01	Road and Pavements Drainage & Retaining Structure Sign craft Installation	Construction of road and road reinstatement, pavement, bus bays, open car parks and related works such as kerbs, footways. Installation of an integrated sign posting system for complexes, airports, shopping centers, etc. Also includes setting up of exhibition stands and road signs. Airports Taxiways, runways, aprons, aircraft parking bays, baggage handling system, track transit system, etc.
	CE02	Bridge Structures Piling	Construction of concrete, masonry, timber or steel bridges. Installation of all types of piling sheet piles, driven precast reinforced and pre stressed concrete piles, bored cast in situ piles and timber piles etc.
	CE03	Marine Structures Dredging Underwater Works	Construction of marine structure such as jetties, ports, wharves, harbors, sea and river walls offshore construction works etc. Underwater construction works and maintenance of underwater construction works.
	CE04	Dams/Water Retaining Structures Irrigation & Flood Control Systems	Construction of water retaining structure such as dams, reservoirs, aqueducts, treatment plants, pipe laying works etc. Earth work/dredging in canal, river and offshore.
	CE05	Offshore Works	Offshore construction works including related works.
	CE06	Tunneling and underpinning	Tunneling and underpinning works.

Guidelines / Regulations For Procurement of Works

	CE07	Railways Tracks	Installation of railway tracks, distressing of rails and tracks.
	CE08	Oil and Gas Pipe Lines	Installation, maintenance and repair of oil and gas pipelines.
	CE09	Sewerage Works Water Supply	Sewerage pipelines, disposal works, sewerage treatment works and allied works. Installation, maintenance and repair of water supply pipelines, pumping stations, tube wells, water treatment works etc.

	CE10	General Civil Engineering Works Slope Protection System Concrete Repairs Soil Investigation and Stabilization Landscaping & Horticulture Reclamation Works General Buildings and Maintenance Waterproofing	General civil engineering works, including earthworks, sub-soil drainage, etc. Slope protection works. Reinforcement of structures by way of pressure grouting, guniting, etc. Services include sampling, investigation and testing services to determine soil classifications, strength and composition. Also includes soil stabilization works such as micro piling, ground anchoring, sand drains and ground grouting. Provision of Landscaping services including tree planting, turfing, horticulture etc. Reclamation works. General building works, including fixing partitions, roofing and general maintenance of buildings. Water proofing of basement, roofs and walls.
	BC01	Prefabricated Buildings and Steel Framed Buildings and Industrial Plants	Construction of buildings and industrial plants using prefabricated components and systems. Construction of steel framed buildings and industrial plants.

Guidelines / Regulations For Procurement of Works

			Airports Terminal buildings, Satellite buildings, cargo terminals, air traffic control towers, contact piers, passenger loading bridges.
	BC02	Restoration and Conservation	Building restoration and conservation.
	BC03	High Rise Buildings	
MECHANICAL ENGINEERING (ME)	ME01	HVAC	Installation, Commissioning maintenance and repairs of air conditioning, refrigeration, cold rooms and ventilation system.
	ME02	Fire Prevention and Protection System	Installation and maintenance of fire alarms, prevention and protection systems.
	ME03	Lifts and Escalators Compressor Generators	Installation, commissioning and maintenance of lifts, escalators, travel lators and conveyor systems.

Sample

PRE-QUALIFICATION OF CONTRACTORS

(neither documents are issued nor technical score is assigned)

(NAME OF THE PROJECT/SCHEME)

- (1) *(Name of Procuring Agency)* has received funds from *Province/Federal/Loan/Grant /Self* for the Project/Scheme cited above with Scope, Estimated Cost and duration of project are as under:-
- (i) **Scope:** *(Insert the Scope).*
- (ii) **Estimate Cost:** *(Insert the Cost).*
- (iii) **Project Period:** *(Insert the Period).*
- (2) **Dead line of Submissions:** Applications are invited from interested firms/contractors for pre-qualification. The application along with following documents must reach on the address mentioned herein below on or before *(Insert Time)* on *(Insert Date)*. The prequalified contractors/firms only will be invited to bid.
- (3) **Eligibility:**
Valid Registration with Pakistan Engineering Council in relevant category and discipline *(procuring agency must mention relevant category, discipline);*
- (4) **Required Documents:** It must include following details/documents:-
- (A) **Profile of Firm/contractor:**
- (i) Name, address, telephone, fax numbers and e-mail address of firm/individual;
- (ii) Ownership and Organizational Structure of the firm;
- (iii) Year of establishment;
- (Contractors/Firms having at least past experience of----- years will be considered.)*
- (B) **Experience and past performance.**
- (i) List of similar assignments with cost, under-taken in the last___ years *(mention minimum number of assignments/projects for qualification);*
- (ii) List of assignments executed in similar geographical condition *(mention minimum number of assignments/projects for qualification);*
(Attach performance certificates of completed projects).
- (C) **Key Personnel Qualification & Experience.**
Requirement will vary from assignment to assignment. However following factors should be given due consideration:
Academic qualification: *Minimum qualification be mentioned;*
Experience - *Number of similar assignments with length of experience be mentioned;*
Brief CVs of three key personnel be attached.
- (E) **Equipments.**
Equipments Proposed for the Project.
- (i) Details of relevant equipments, machineries and transport owned by firm/contractor;
- (ii) Details of equipments, machineries and transport to be hired/leased by firm/contractor;
- (F) **Financial.**

Guidelines / Regulations For Procurement of Works

- (i) Documentary evidence of financial position, bank statement or audited accounts of the last (*mention number*) years.
- (ii) Annual turnover of the last (*mention number*) years.
(*Minimum annual turnover be mentioned*).
- (iii) Income tax return for the last (*mention number*) years.

(G) Any other information. -

- (i) Details of disputes/litigation or arbitration with client.
- (ii) Affidavit that firm has never been black listed.
- (iii) *Any other document/information desired by procuring agency.*

(5) Evaluation Criteria:

- (i) Applications with required documents attached shall be evaluated on Pass /Fail or /Yes/No basis (check list).
- (ii) Applications of black listed firms shall not be considered;
- (iii) Procuring agency shall disqualify the applicant if, at any stage finds that the information submitted for qualification was either significantly inaccurate or incomplete.

(6) Interested firms/contractors should address their inquiries and submit their applications to the following:-

Address :
Telephone No :
E-mail Address :
Fax No. :

(7) Procuring Agency may reject all or any bid as per relevant provisions of Sindh Public Procurement Rules 2010.

Sample

Annexure D-II

PRE-QUALIFICATION OF CONTRACTORS

(Where documents are not issued but technical score is assigned)

(NAME OF THE PROJECT/SCHEME)

1. *(Name of Procuring Agency) has received funds from Province/Federal/Loan/Grant /Self for the Project/Scheme cited above with Scope, Estimated Cost and duration of project are as under:-*
 - (i) **Scope:** *(Insert the Scope).*
 - (ii) **Estimate Cost:** *(Insert the Cost).*
 - (iii) **Project Period:** *(Insert the Period).*
2. **Dead line of Submissions:** Applications are invited from interested firms/contactors for pre-qualification. The application along with following documents must reach on the address mentioned herein below on or before *(Insert Time) on (Insert Date)*. The prequalified contractors/firms will be invited to bid.
3. **Eligibility.**
Valid Registration with Pakistan Engineering Council in relevant category and discipline;
(procuring agency must mention relevant category, discipline);
4. **Required Documents:** It must include following details/documents:-
 - (A) **Profile of Firm/contractor:**
 - (i) Name, address, telephone, fax numbers and e-mail address of firm/individual;
 - (ii) Ownership and Organizational Structure of the firm
 - (iii) Year of establishment;
(One Mark for every ____ years - the bench marking is the prerogative of the procuring agency)

5 Mark
 - (B) **Experience and past performance.**
 - (i) List of similar assignments with cost, under-taken in the last ____ years;
(3 for each assignment). 15 Marks.
 - (ii) List of assignments executed in similar geographical condition;
(3 for each assignment) . 15 Marks.

Performance certificates of assignments /projects completed are to be attached.
 - (C) **Key Personnel Qualification & Experience.**
 - i. **Academic qualification** - *Minimum qualification be mentioned by the Procuring Agency. For additional qualification, additional weight age shall be given by the procuring agency keeping in view the assignment;*
(Marks 05- for basic qualification, additional 3 for Master and 2 for PhD)

30 Marks
 - ii. **Experience** - *Number of similar assignments with length of experience be mentioned*

30 Marks.

Brief CVs of —— key personnel be attached;
 - (D) **Equipment.**
Equipment Proposed for the Project.
 - (i) Details of equipments, machineries and transport owned by firm/contractor;
If relevant equipments are owned by contractor. 5 Marks
 - (ii) Details of equipments, machineries and transport to be hired/leased by firm/contractor;
3 Marks

(E) Financial.

- (i) Documentary evidence of financial position, bank statement or audited accounts of the last (*mention number*) years.
- (ii) Annual turnover of the last (*mention number*) years;
(*Minimum annual turnover be mentioned; 5 Marks*)
- (iii) Income tax return for the last (*mention number*) years.

(F) Any other information. -

- (i) Details of disputes/litigation or arbitration with client(s).
- (ii) Affidavit that firm has never been black listed.
- (iii) Any other document/information desired by procuring agency.

5. Evaluation Criteria:

- (i) Applications with required documents attached shall be evaluated on the score obtained and firms obtaining 70 to 80% (*the range may be decided by the Procuring Agency*) shall be qualified.
- (ii) Applications of black listed firms shall not be considered;
- (iii) Procuring agency shall disqualify the applicant if, at any time, it finds that the information submitted for qualification was either significantly inaccurate or incomplete.

6. Interested firms/contractors should address their inquiries' and submit their applications to the following:-

Address :
Telephone No :
E-mail Address :
Fax No. :

7. Procuring Agency may reject all or any bid as per relevant provisions of Sindh Public Procurement Rules 2010.

Sample

PRE-QUALIFICATION OF CONTRACTORS

(Where documents are to be issued)

(Name of the Project/Scheme).

1. *(Name of Procuring Agency)* has received funds from *Province/Federal/Loan/Grant /Self* for the Project/Scheme cited above with Scope, Estimated Cost and duration of project are as under:-
 - (i) **Scope:** *(Insert the Scope).*
 - (ii) **Estimate Cost:** *(Insert the Cost).*
 - (iii) **Project Period:** *(Insert the Period).*
2. **Eligibility:** Valid Registration with Pakistan Engineering Council and/or any other relevant professional body *(as applicable)* in relevant category and discipline is mandatory *(procuring agency must mention relevant category, discipline and professional body);*
3. **Pre-qualification documents:** Applications are invited from Interested *(National /International)* firms for short listing. Interested consulting firms can obtain the pre-qualification documents or may request to send the same through mail from the address mentioned below.
The request must clearly state “Request for Pre-qualification Documents” for _____ *(Name of the Project/Scheme)*. The documents are available for a non refundable fee of _____ *(Amount not more than Rs.3,000.00)*. The documents if requested by mail will be promptly dispatched by registered mail for which cost of mail i.e. _____ will be borne by the Applicant, however, under no circumstances the Procuring Agency will be responsible for late delivery or loss of the documents so mailed.
4. **Dead line of Issuance of Documents:** Documents will be issued to interested firms up to *(Insert date & time)* on payment of Rs _____ *(Non refundable Cost/ Free of Cost)*.
5. **Dead line of Submissions:** Documents duly filled and attached with relevant certificates must reach on the address mentioned herein below on or before *(Insert Time)* on *(Insert Date)*. Only prequalified contractors/firms will only be invited to bid.
6. Interested firms should submit their inquires/applications/documents to the following:-

Address	:
Telephone No	:
E-mail Address	:
Fax No.	:
7. Procuring Agency may reject all or any bid subject to the relevant provisions of Sindh Public Procurement Rules 2010.

NOTICE INVITING TENDER

1. (Name of Procuring Agency) invites sealed tenders on Composite Schedule of Rates (CSR)/ Item Rate basis or on *both* from interested contractors/firms. (List of works is to be mentioned below/ attached).

List of Works

S No	Name of Work	Estimated Cost	Bid Security	Tender Fee	Time for completion
		Rs in Million			
1.	Construction of Primary School at -----	5.000	2% of Estimated cost/offered rate	<i>Cost of preparation & printing only.</i>	
2.					

2. **Eligibility:** Valid Registration with Pakistan Engineering Council in relevant category and discipline (*mention the category and discipline*) except for works costing upto Rs2.5 million);
3. **Qualification:**
- List of similar assignments with cost (*mention number of projects*), under-taken over the past (—) years;
 - Details of equipments, machineries and transport owned/ leased/ hired by firm/contractor;
 - Financial Statement (summary) and income tax return for the last ---- (mention) years;
 - List of litigation (if any) their nature and status / outcomes;
 - Affidavit that firm has never been black listed;
 - Any addition or deletion can be made by procuring agency.*
4. **Method of Procurement.** (*Mention the Method of Procurement i.e. Single Stage Single Envelope/Single Stage Two Envelope/Two Stage /Two Stage Two Envelope*).
5. **Bidding/Tender Documents:**
- Issuance:** Documents will be issued from date of publication to (*Insert the Date but not less than 15 days for NCB inclusive starting and closing dates*), on payment of tender fee (*Non- refundable-mentioned against each item in the list*).
 - Submission:** Last date will be (*Insert the Date and time*).
 - Opening:** will be opened on same *Date within one hour of submission of the bids*.
 - Place(s)** of issuance, submission, inquiries and opening will be:-
 Address :
 Telephone No :
 E-mail Address : Fax No. :
 - Un-responded tenders** will be again issued/submitted/opened on following dates:-
 Attempt: (a) Issue date: (b) Submission & opening date
 2nd (Insert the Date) (Insert the Date).
6. **Funding Position:** (*Mention the availability of funds and its source*).
7. **Terms & Conditions.**
- Under following conditions bid will be rejected:-
 - Conditional, electronic and telegraphic bids/tenders;
 - Bids not accompanied by bid security of required amount and form;
 - Bids received after specified date and time.
 - Black listed firms.
 - Bid validity Period:** - (—) days (*Insert number of days. Not more than 90 days for NCB and 120 days for ICB*).
 - Procuring Agency reserves the right to reject all or any bids subject to the relevant provisions of Sindh Public Procurement Rules 2010.

* *The italic words are to be replaced with proper requirement of the procuring agency.*

Bid Evaluation Report

- 1. Name of Procuring Agency: _____
- 2. Tender Reference No: _____
- 3. Tender Description/Name of work/item: _____
- 4. Method of Procurement: _____
- 5. Tender Published: _____
Print & Electronic Media (SPPRA ID No. & News papers names with dates)
- 6. Total Bid documents Sold; _____
- 7. Total Bids Received: _____
- 8. Technical Bid Opening date: (if applicable) _____ *(Provide details in separate form)*
- 9. No. of Bid technically qualified (if applicable): _____
- 10. Bid(s) Rejected: _____
- 11. Financial Bid Opening date: _____

12. Bid Evaluation Report:

<i>S No</i>	<i>Name of Firm or Bidder</i>	<i>Cost offered by the Bidder</i>	<i>Ranking in terms of cost</i>	<i>Comparison with Estimated cost</i>	<i>Reasons for acceptance/rejection</i>	<i>Remarks</i>
0	1	2	3	4	5	6
1.	A					
2.	B					
3.	C					
4.	D					

Signatures of the Members of the Committee.

Financial Review

A. Comparison with Rough Cost Estimate (RCE/PC-I)

Provisions as per Rough Cost Estimate (RCE)						Recommended Tender	Excess/Saving	Remarks
S No: 1	Item 2	Unit/ Plinth Area 3	Rate 4	Unit 5	Amount 6	Amount 7	Difference 8=7-6	Excess/Saving Percentage (%)

Note: - Excess of the tendered item over RCE provision of that item must not be more than 15% or savings are indicated from other items of the PC-I in the comparison sheet, otherwise **either** RCE/PC-I shall be revised **or** Tenders shall be re-invited.

B. Comparison with Technical Sanction (TS)

Cost as per Technical Sanction (TS)						Recommended Tender	Excess/Saving	Remarks
S No: 1	Item 2	Unit/ Plinth Area 3	Rate 4	Unit 5	Amount 6	Amount 7	Difference 8=7-6	Excess/Saving Percentage (%)

Note: - Excess over Amount of Technical Sanction of the tendered item must not be more than 5%, otherwise Revised Technical Sanction is to be obtained from the Competent authority.

Annexure- H

Letter of Acceptance

[on letterhead paper of the Procuring agency]

..... *date*

To _____: *name and address of the Contractor*

Subject _____: *Notification of Award Contract No.*

This is to notify you that your Bid dated for execution of the *name of the contract and identification number, as given in the Contract Data. [at the percentage --- - above/below/ par on the items of Schedule of Rates (CSR) in case of B-I agreement]*. for the Accepted Contract Amount of the equivalent of *amount in numbers and words and name of currency*, as corrected and modified in accordance with the Instructions to Bidders is hereby accepted by our Agency.

You are requested to furnish the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose the **Performance Security Form** included in bidding document and **sign the contract agreement** attached herewith within stipulated time mentioned above.

Authorized Signature:

Name and Title of Signatory:

Name of Agency:

INDENTURE FOR SECURED ADVANCES.

Annexure-I

(For use in cases in which is contract is for finished work and the contractor has entered into an agreement for the execution of a certain specified quantity of work in a given time).

This INDENTURE made the _____ day of _____ 197_____" BETWEEN (hereinafter called "the _____ Contractor" which expression shall where the context so admits or implied be deemed to include his heirs, executors, administrators and assigns) of the one part and THE GOVERNOR OF SINDH (hereinafter called "the Government" of the other part).

WHEREAS by an agreement, dated _____ (hereinafter called the said agreement, the contractor has agreed to perform the under-mentioned works (hereinafter referred to as the said work):- (Here enter (the description of the works).

AND WHEREAS the contractor has applied to the _____ for an advance to him of Rupees _____ (Rs. _____) on the security of materials absolutely belonging to him and brought by him to the site of the said works the subject of the said agreement for use in the construction of such of the said works as he has undertaken to execute at rates fixed for the finished work (inclusive of the cost of materials and labour and other charge) AND WHEREAS the Government has agreed to advance to the Contractor the sum of Rupees, (Rs. _____) on the security of materials the quantities and other particulars of which are detailed in Part II of Running Account Bill (E). the said works signed by the contractor on _____ and on such covenants and conditions as are hereinafter contained and the Government has reserved to itself the option of marking any further advance or advances on the security of other materials brought by the Contractor to the site of the said works.

NOW THIS INDENTURE WTTNESSETH that in pursuance of the said agreement and in consideration of the sum of Rupees _____ (Rs. _____) on or before the execution of these presents paid to the Contractor by the Government (the receipt whereof the Contractor doth hereby acknowledge) and of such further advances (if any) as may be made to him as aforesaid (all of which advances are hereinafter collectively referred to as the said amount) the Contractor doth hereby assign unto the Government the said materials by way of security for the said amount

And doth hereby covenant and agree with the Government and declare ay follow :-

(1) That the said sum of Rupees _____ (Rs. _____) so advanced by the Government to the Contractor as aforesaid and all or any further sum or sums which may be advanced aa aforesaid shall be employed by the contractor in or towards expending the execution of the said works and for no other purpose whatsoever.

(2) That the materials detailed in the said Running Account Bill (B) which have been
Fin R Form No. 17-A

Offered to and accepted by (he Government as security for the said amount are absolutely by the Contractors own property free from encumbrances of any kind and the

Guidelines / Regulations For Procurement of Works

Contractor will not make any application for or receive a further advance on the security of materials which are not absolutely his own property and free from encumbrances of any kind and the contractor hereby agrees, at all times, to indemnify and save harmless the Government against all claims whatsoever to any materials in respect of which an advance has been made to him as aforesaid.

- (3) That the said materials detailed in the said Running Account Bill (B) and all other Materials on the security of which any further advance or advances may hereafter be made as aforesaid (hereinafter called the said materials) shall be used by the Contractor solely in *the* execution of the said works in accordance with the directions of the

Divisional Officer _____ (hereinafter called the Divisional Officer) and in the terms of the said agreement.

- (4) That the Contractor shall make at his own cost all necessary and adequate arrangement for the proper watch, safe custody and protection against all risks of the said material and that until used in construction as aforesaid the said materials shall remain at the site of the said works in the Contractor's custody and at his own risk and on his own responsibility and shall at all times be open to inspection by (he Divisional Officer or any officer authorized by him. In the event of the said materials of any part (hereof being stolen, destroyed or damaged or becoming deteriorated in a grater degree than is due to reasonable use and wear thereof Contractor will forthwith replace the same with other materials of like qualify or repair and make good the same as required by the Divisional Officer and the materials so brought to replace the said materials so repaired and made good shall also be considered as security for the said amount.
- (5) Hurt the said materials shall not on any account be removed from the site of the said works except with the written permission of the Divisional Officer or an officer authorized by him in that behalf
- (6) That the said amount shall be payable in full when or before the Contractor receives payment, from the Government of the price payable to him for the said works under the terms and provisions of the said agreement PROVIDED THAT if any intermediate payments are made to the contractor on account of work done then on the occasion of each such payment the Government will be at liberty to make a recovery from the Contractors Bill for such payment by deducting there from in the value of the said materials (hen actually used in the construction and in respect of which recovery has not been made previously the value for this purpose being determined in respect of each description of material at (he rates at which the amount of the advances made under these presents were calculated.
- (7) That if the Contractor shall at any time make any default in the performance or observation in any respect of any of the terms and provisions of the said agreement or of these presents the total amount of the advance or advances that may still be owing to the Government shall immediately on the happening of such default be repayable by the Contractor to the Government together with interest thereon at twelve percent per annum from the date or respective dates of such advance or advances to the date or repayment and with all costs, charges, damages and expenses incurred by the Government in or for the recovery thereof or the enforcement of this security or otherwise by reason of (he default of the Contractor and any moneys so becoming due and payable shall constitute a debt due from the Contractor to the Government and the Contractor hereby covenants and agrees with the Government to repay and the same respectively to it accordingly.

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- (8) That the Contractor hereby charges all the said materials with the repayment to the Government of the said sum of Rupees _____ (Rs. _____) and any further sum or sums which may be advanced as aforesaid and all costs charges damages and expenses payable under these present PROVIDED ALWAYS and it is hereby agreed and declared that notwithstanding anything in the said agreement and without prejudice to the powers contained therein if and whether the covenant for payment and repayment hereinbefore contained shall become enforceable and the money owing shall not be paid to accordingly.

Once there with the Government may at any time thereafter adopt all or any of following courses as it may deem best :-

- (a) Seize and utilize the said materials or any part thereof in the completion of the said works on behalf of the Contractor in accordance with the provisions in that behalf contained in the said agreement debiting the Contractor with the actual cost of effecting such completion the amount due in respect of advances under these presents and crediting the Contractor with the value of work done as he had carried it out in accordance with the said agreement and at the rates thereby provided. If the balance is against the Contractor he is to pay the same to the Government on demand.
- (b) Remove and sell by public auction the seized materials or any part thereof and out of the moneys arising from the sale retain all the sums aforesaid repayable to the Government under these presents and pay over the surplus (if any) to the Contractor.
- (c) Deduct all or any part of the moneys owing out of the security deposit or any sum due to the Contractor under the agreement.
- (9) That except as is expressly provided by the presents interest on the said advance shall not be payable.
- (10) That in the event of any conflict between the provisions of these presents and the said agreement the provisions of these presents shall prevail and in the event of any dispute or difference arising over the construction or effect of these presents the settlement of which has not been hereinbefore expressly provided for the same shall be referred to the Superintending Engineer Circle whose decision shall be final and the provisions of the Indian Arbitration Act for the time being in force so far as they are applicable shall apply to any such reference.

In witnesses whereof the* _____ on behalf of the Governor of Sindh and the said _____ have hereunto set their respective hands and seals the day and first above written.

Signed, sealed and delivered by* In the presence of

Guidelines / Regulations For Procurement of Works

MOBILIZATION ADVANCE GUARANTEE

Annexure-J

Bank Guarantee No. _____ Date _____

WHEREAS _____ (hereinafter called the 'Procuring Agency') has entered into a Contract for _____

(Particulars of Contract)

with _____ (hereinafter called the "Contractor").

AND WHEREAS, the Procuring Agency has agreed to advance to the Contractor, at the Contractor's request, an amount of Rupees _____ (Rs _____) which amount shall be advanced to the Contractor as per provisions of the Contract.

AND WHEREAS, the Procuring Agency has asked the Contractor to furnish Guarantee to secure the mobilization advance for the performance of his obligations under the said Contract.

AND WHEREAS, _____

(Scheduled Bank in Pakistan)

(hereinafter called the "Guarantor") at the request of the Contractor and in consideration of the **procuring agency** agreeing to make the above advance to the Contractor, has agreed to furnish the said Guarantee.

NOW, THEREFORE, the Guarantor hereby guarantees that the Contractor shall use the advance for the purpose of above mentioned Contract and if he fails and commits default in fulfilment of any of his obligations for which the advance payment is made, the Guarantor shall be liable to the procuring agency for payment not exceeding the aforementioned amount.

Notice in writing of any default, of which the procuring agency shall be the sole and final judge, on the part of the Contractor, shall be given by the procuring agency to the Guarantor, and on such first written demand, payment shall be made by the Guarantor of all sums then due under this Guarantee without any reference to the Contractor and without any objection.

This Guarantee shall remain in force until the advance is fully adjusted against payments from the Interim Payment Certificates of the Contractor or until _____
_____ whichever is earlier.

(Date)

The Guarantor's liability under this Guarantee shall not in any case exceed the sum of Rupees _____ (Rs _____).

This Guarantee shall remain valid up to the aforesaid date and shall be null and void after the aforesaid date or earlier if the advance made to the Contractor is fully adjusted against payments from Interim Payment Certificates of the Contractor provided that the Guarantor agrees that the aforesaid period of validity shall be deemed to be extended if on the above mentioned date the advance payment is not fully adjusted.

GUARANTOR

1. Signature _____
2. Name _____
3. Title _____

WITNESS

1. _____

Corporate Secretary (Seal)

2. _____
(Name Title & Address) _____
Corporate Guarantor (Seal)

PROFORMA FOR EXTENSION IN CONTRACT PERIOD (WITH OR WITHOUT PENALTY / FINE),

APPLICATION FOR EXTENSION IN CONTRACT PERIOD

Name & other particulars of work:

Name of Contractor (with full fid dress)

Estimated Amount.

Agreement amount (including premium) with sanction No. & date.

Period of the Contract.. From

Stipulated date of start Actual date of start. Stipulated date of completion.

- (a) Has the work been completed?
- (b) What is the cost of work done so far?

Actual date of completion (Not necessary in case the work is in Progress).

What are the reasons due to which the extension is applied/recommended? (To be filled in only when the extension is being recommended on the Executive Engineer's own initiative).

OR

- (a) Whether the Contractor has put in an application for extension of contract period? If yes, enclose copy as appendix-I.

Guidelines / Regulations For Procurement of Works

(b) What are the reasons give by the contractor { 'or slow progress (if (he work is in progress).

OR

(b) Reasons for delay in completion (if the work lias been completed).

Do you consider the reasons given by the contractor in item No. 12 (b) above as correct and genuine ? If yes, what are your recommendations ?

OR

(a.) In case the reasons given by (lie contractor against item No. 12 (b) are not genuine, whether any notices have been issued to the contractor from the Divisional Office / Sub-Divisional Office ? If yes, enclose Copies of all such notices as appendix-II

(b) Whether copies of these notices were endorsed to Circle Office ? If not, state reasons.

© Whether these notices have been replied by the Contractor ? If yes, enclose copies of all such replies as appendix-III.

(d) What are your recommendations ?

Whether any extension / extensions have been allowed to the contractor prior to the one under consideration ? If yes, give details of all such extensions stating the time of extension, the authority who granted the extension and the grounds (in brief) on which each o f it was granted.

What is the total amount of S/Deposit so far recovered 6 0111 the contractor which is still lying in deposit with this department.

(a) Whether any amount has been deducted from the contractor towards penalty under clause 2 of the Agreement ? If yes, what is the amount ?

Guidelines / Regulations For Procurement of Works

- (b) Whether the Contractor has been informed through a letter that penalty under clause 2 is being recovered from his bill as he has failed to keep up to the time schedule prescribed under the clause ? If yes, enclose copy of such letter as appendix-IV.

Note :- If the space for the entry against any item falls short of the requirements a separate sheet may be attached as an appendix giving necessary reference in the space provided.

EXECUTIVE ENGINEER —
.....DIVISION

18. Orders of the
Superintending Engineer-,

SUPERINTENDING
ENGINEER

**Government of Pakistan
Planning Commission**

To be furnished immediately after completion of Project regardless of whether or not the accounts of the Project have been closed.

1. Name of the Project:

--

2. Implementation period:

Commencement Completion

▪ As per PC-I:

--	--

▪ As per actual:

--	--

3. Capital Cost:

(Million Rs)

Planned	Actual

4. PC-I phasing/allocations, releases & expenditure:

(Million Rs)

Year	Phasing as per PC-I	PSDP Allocations	Releases	Expenditure
1.				
2.				
3.				
4.				

5. Item wise physical targets and achievements:

Item	Unit	PC-I Estimates	Actual Achievements

6. Item wise planned and actual expenditure:

Item	PC-I Estimates	(Million Rs)
		Actual Expenditure

7. Quantifiable benefits of the project:

- a) Financial
- b) Economic
- c) Social Employment generated

8. Financial/Economic results based on actual cost:

- a) Financial
 - Net present worth
 - Benefit cost ratio
 - Internal financial rate of return
 - Unit cost analysis
- b) Economic
 - Net present worth
 - Benefit cost ratio
 - Internal financial rate of return

For Social Sectors: Provide only unit cost analysis

9. **Whether the Project has been implemented as per approved scope of the project. If not provide details on justification of variation.**

10. **Impact of the Project on target group:**

11. **Lessons learned in:**

- a) Project identification
- b) Project preparation
- c) Project approval
- d) Project financing
- e) Project implementation

12. **Suggestions for planning & implementation of similar Projects:**

**GOVERNMENT OF PAKISTAN
PLANNING AND DEVELOPMENT DIVISION**

No.2(1-29)DA/PC/86

Islamabad April 15, 1989

To,

The Chairman,
Planning and Development Board,
Government of the Punjab, Lahore(Mr. Zulfiqar Ali Shah).

The Additional Chief Secretary (Dev),
Planning and Development Department,
Government of Sind, Karachi(A.M. Soomro).

The Additional Chief Secretary (Dev),
Planning and Development Department,
Government of NWFP, Peshawar. (Mr. M. Azam Khan).

The Additional Chief Secretary (Dev),
Planning and Development Department,
Government of Baluchistan, Quetta (Mr. Ata Muhammad Jafar).

Subject: EXTENSION IN THE PERIOD OF EXECUTION OF THE PROJECTS

Sir,

I am directed to say that Planning Division have been receiving sporadic requests from the Provincial Governments, Federal Ministries/Divisions for the extension of the execution period of the various approved projects beyond the prescribed/approved period given in the PC-I.

2. In the procedure prescribed by the Cabinet Division for approval of the development projects there is no mention of such extension and neither there is any embargo. The projects are required to be resubmitted for fresh approval of the competent authority only in case the scope/cost of the project increases (or decreases) beyond 15% of the original approved scope/cost, (excluding FEC fluctuation). Such premium is not allowed on the revised projects.

3. It has now been decided that in case of the non-aided projects where scope/cost of projects remains within 15% of the original approved scope/cost, the case for extension of the execution period beyond that approved in the PC-I need not to be referred to P&D Division. However, Planning and Finance Divisions may be informed when such extensions are issued by executing agencies giving reasons for the delay in execution of the project.

4. In case of the aided projects, extension if necessary may be obtained from Economic Affairs Division and P&D Division and Finance Division is informed. The Economic Affairs Division for such extension would consult the aid giving agency (agencies) and P&D and Finance Divisions if essential.

5. Federal Ministries/Divisions and Provincial Governments are requested to take note of the above instructions, issued with the approval of Deputy Chairman, Planning Commission.

Your obedient servant
Sd/-
(FAZLULLAH QURESHI)
Chief (DA)

All Federal Ministries/Divisions
All Technical Sections, P&D Division

Extension in Implementation Period

Annexure-L

9.4 The project is approved with a specific period of completion. Efforts should be made to complete the project within the stipulated period to ensure flow of benefits well in time. Due to certain reasons, if extension in the implementation period is in-avoidable to achieve the planned objectives, the Principal Accounting Officer of the Ministries/Divisions is competent to accord extension in the implementation period but within the approved cost of the project. The Planning & Development Division should be kept posted accordingly. A copy of Planning and Development Division's letter dated 15th April, 1989 is placed at annex-XXIV.

(Source : Guidelines for Project Management . Planning Commission)

SPPRA

(INTEGRITY PACT)

**DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC.
PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN
CONTRACTS WORTH RS. 10.00 MILLION OR MORE**

Contract No. _____ Dated _____

Contract Value: _____

Contract Title: _____

..... [*name of Contractor*] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Sindh (GoS) or any administrative department or agency thereof or any other entity owned or controlled by GoS through any corrupt business practice.

Without limiting the generality of the foregoing, [*name of Contractor*] represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoS, except that which has been expressly declared pursuant hereto.

[*name of Contractor*] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoS and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[*name of Contractor*] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GoS under any law, contract or other instrument, be voidable at the option of GoS.

Notwithstanding any rights and remedies exercised by GoS in this regard, [*name of Contractor*] agrees to indemnify GoS for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoS in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [*name of Contractor*] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoS.

Name of Procuring Agency:

Name of Contractor:

Signature:

Signature:

[Seal]

[Seal]

**NATIONAL ECONOMIC COUNCIL SECRETARIAT
CABINET DIVISION**

Iqbal Mueen,
Secretary,
Executive Committee of the
National Economic Council.
No.5/CF/75

Rawalpindi, the 16th July, 1975

My dear Secretary,

Executive Committee of the National Economic Council had repeatedly been pressing the observance of financial discipline in the matter execution of schemes. In a recent case it was again noticed by ECNEC that expenditure continued to be incurred on a scheme even when its cost had exceeded the approved cost. Instructions have separately been issued under Cabinet Division circular D.O. letter No.5/CF/75 dated 7th May 1975 requiring the executing agencies to start preparing the revised scheme immediately when it was known that the cost of the scheme is going to rise beyond the permissible limit of 15%.

2. It is considered that no difficulty should be experienced in this regard, as PC-III forms (Quarterly progress report) are prepared in respect of all such schemes and columns 6 and 7 of the said from which indicate the percentages of physical completion and financial expenditure are relevant. The two percentages have close relationship. If the percentages of financial expenditure exceed percentage of physical work by more than 15% it is enough indication to show that the cost of the project would go beyond the approved cost. As soon as this indication is visible the executing agency should immediately start work on revising the scheme without stopping the actual work. In exceptional cases where the revised scheme cannot be prepared in time recourse could be taken to obtaining anticipatory approval of the Chairman, Executive Committee of the National Economic Council following the procedure outlined in the Cabinet Division circular letter referred to in para-1 above.

3. A preliminary stage when the possibility of revision of cost becomes clear is when the project is to be implemented through a few major contracts and the bids received in response to tenders make it obvious that the sanctioned cost will be exceeded.

4. I would request that these instructions should be brought to the notice of all concerned with development projects including autonomous and semi autonomous bodies under your administrative control.

Yours sincerely,
-Sd/-
(IQBAL MUEEN)

Flow Chart for Procurement of Works Annexure O

A. Activities prior to Procurement Process.

- (i) Development works.
 - A-I: Conception of Development Scheme/Project
 - A-II Preparation of PC-I/PC-II
 - A-III Approval of PC-I/PC-II from Competent Forum
 - A-IV Issue of Administrative Approval
 - A-V Technical Sanction of Detailed Estimate
 - A-VI Placement of Funds with Executing Agency
 - A-VII Site Possession or Land acquisition
 - A-VIII Preparation of Procurement Plan

- (ii) Non Development/Revenue procurement
In this case A-V, A-VI & A-VIII are required.

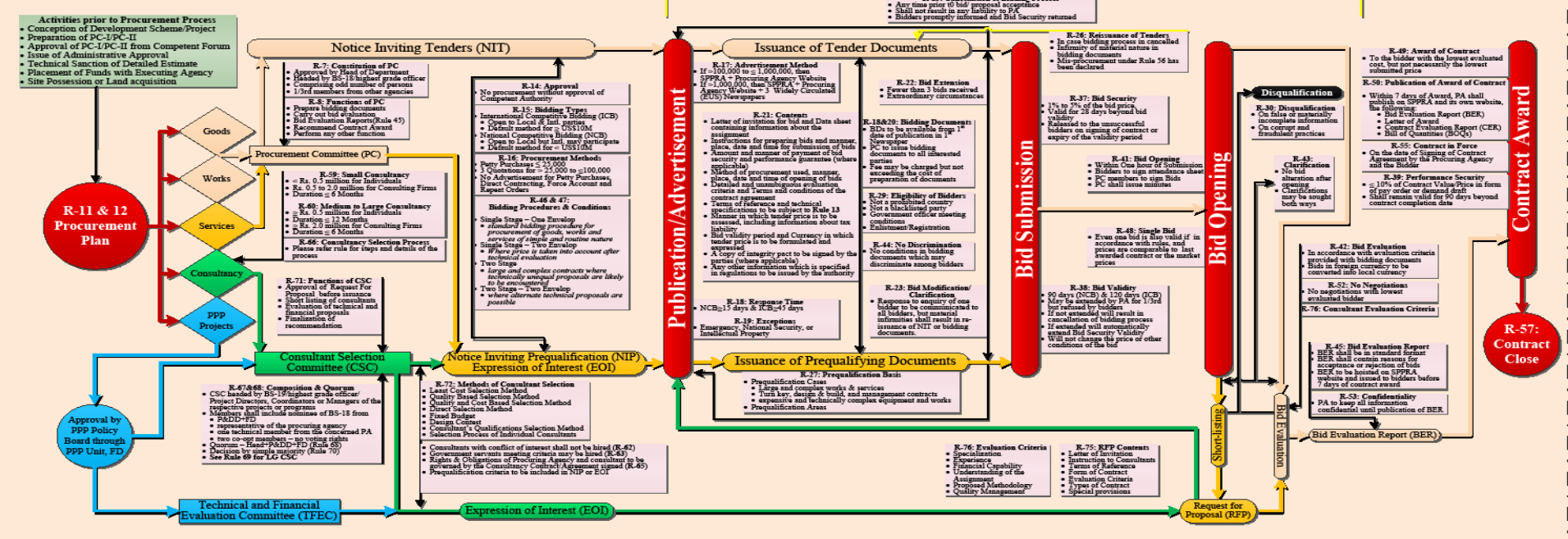
B. Procurement Process.

- B-I Preparation of Notice of Pre-qualification or Inviting Tenders/Bids as per SPP Rules 2010
- B-II Approval of NIT from Competent Authority
- B-III Publication and/or Hoisting of NIT
- B-IV Issuance of Pre-qualification/Bidding Documents to interested bidders
- B-V Short listing of bidders in case of Pre-qualification
- B-VI Issuance of Bidding Documents to Eligible or Short listed Bidders
- B-VII Opening, Evaluation and Recommendation
- B-VIII Timely Hoisting Evaluation Report on Website
- B-IX Issuance of Letter of Acceptance
- B-X Signing of Contract Agreement
- B-XI Timely Publication of Contract Award on website

Guidelines / Regulations For Procurement of Works

PUBLIC PROCUREMENT PROCESS UNDER SINDH PUBLIC PROCUREMENT RULES 2010

Rule 4: Procurement Principles => Fairness + Transparency = Value For Money



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Financial Review/Comparative Statement. (To be attached with Detailed Estimate)

Provisions in Rough Cost Estimate								Provisions in Detailed Cost Estimate						
S No	Item	Plinth Area	Rate	Unit	Amount	Escalation 6.5%	Total Cost (6+7)	Cost as per Detailed Estimate		Cost Comparison with Total Cost in column 8		Percentage in		Remarks
								Rate	Amount	Excess	Saving	Excess	Saving	
1	2	3	4	5	6	7	8	9		10		11		12
A.	Main BUILDING	4000 SFT	2000	SFT	Rs 8.0 Million	Rs 0.52 M	Rs 8.52 M	2355	Rs 9.42 Million	Rs 0.90 Million	--	10.5%	--	Within 15%
B.	C wall													

Guidelines / Regulations For Procurement of Works

Financial Review/Comparative Statement. (To be attached with Detailed Estimate)

Annexure-P

Provisions in Rough Cost Estimate								Provisions in Detailed Cost Estimate						
S No	Item	Plinth Area	Rate	Unit	Amount	Escalation 6.5%	Total Cost (6+7)	Cost as per Detailed Estimate		Cost Comparison with Total Cost in column 8		Percentage in		Remarks
								Rate	Amount	Excess	Saving	Excess	Saving	
1	2	3	4	5	6	7	8	9		10		11		12
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