

"One of the marks of a truly vigorous society is the ability to dispense with passion as a midwife of action - the ability to pass directly from thought to action". ~ Eric Hoffer

Managing Editor : Hafeez ur Rehman (Managing Director)
mdppra@ppra.org.pk
Executive Editor : Khalid Mahmood Lodhi (Director)
director@ppra.org.pk
Editor : Naeem Ahmed (Deputy Director)
naeemahmed@ppra.org.pk
Coordinator : Syed Mohsin Hassan (Web Designer)

Public Procurement Regulatory Authority

Cabinet Division Islamabad

EDITOR'S NOTE:

PUBLIC ROLE OF PRIVATE SECTOR IN REFORMING PUBLIC PROCUREMENT

A growing concern about corruption among the international community has influenced the worldwide efforts against this deplorable practice. By the end of the 1990s, the pace of anti-corruption work accelerated in various international forums. In 1996, member countries of the Organization of American States adopted the Inter-American Convention Against Corruption, the world's first anti-corruption treaty. The Organization for Economic Co-Operation and Development (OECD) urged its member states to stop allowing companies to write off bribes as tax deductions. Following suit, the World Bank tightened procurement and loan procedures and publicly called for a campaign against corruption. The World Trade Organization (WTO) began discussions on building transparency standards in government procurement practices.

The International Chamber of Commerce issued stringent new rules prohibiting bribery, kickbacks, and extortion. The United Nations Convention against Corruption was adopted in 2003 and subsequently has been signed by 140 countries around the globe. In all, the international anti-corruption movement began to gain significant momentum. Government procurement is particularly susceptible to corruption because of the large amounts of funds involved in relatively low volume, high-value transactions. It makes public procurement more attractive to corrupt officials than private procurement, which by contrast, usually involves a much higher volume of low value transactions. The individual discretion of public officials exponentially raises the risk of corruption in comparison with other areas of public expenditure, occurring even in cases where competitive bidding takes place. Monopoly of power, weak accountability, and opacity also increase the opportunity

for corruption. Likewise, the existence of bidding companies that rely heavily on public contracts for their survival is yet another factor that increases the susceptibility of public procurement to corruption, especially in developing countries where the dependency of many private sector companies on government procurement is disproportionately large. Our Chambers of Commerce need to form a Procurement Watch to check corruption in public procurement. Only individual bidders are proactive.

CAPACITY BUILDING PROGRAM AT NIP: 30-31 March, 2011

After the successful completion of two day training session at National Institute of Procurement (NIP) PPRA the Participant were awarded certificates by Managing Director PPRA.



The wind cannot overturn a mountain.
Temptation cannot touch the man
Who is awake, strong and humble,
Who masters himself and minds the law.

~ Buddha



PPRA

Government of Pakistan

Public Procurement Regulatory Authority

FBC Building, G-5/2, Islamabad

(www.ppra.org.pk)

Phone # 051 9202254 Fax # 051 9219149

PPRA ONLINE QUERY SYSTEM: July-March 2011

The Capacity Building Program organized at NIP helps the participants to learn PP Rules 2004. Since training facility has certain limitations like limited participation and limited time, hence it is not possible to ask so many questions in this limited time. To fill this gap and to facilitate those who can not participate in these training programs, an opportunity has been provided to learn PP Rules 2004 and procedures Online, through telephonic queries and written requests.

The Online Query system is a recent addition and facilitation for the stakeholders initiated by the PPRA management. In short span of time it has become an efficient, reliable and quick source of information for the stakeholders. The legal wing of PPRA has been very efficient in responding queries since its inception.

In this regard the performance of last three months is depicted in the table below;

Month	Online	Telephonic	Others	Total Queries Replied	Replies Per Day
January	102	90	30	222	9
February	119	80	20	219	10
March	134	120	35	289	12
January-March	355	290	85	730	10

The Rules Corner

Public Procurement Rule No. 29: - Evaluation criteria. -

Procuring agencies shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated. Such evaluation criteria shall form an integral part of the bidding documents. Failure to provide for an unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.

30. Evaluation of bids. -

(1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding documents. Save as provided for in sub-clause (iv) of clause (c) of rule 36 no evaluation criteria shall be used for evaluation of bids that had not been specified in the bidding documents.

(2) 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, prevailing on the date of opening of bids specified in the bidding documents, as notified by the State Bank of Pakistan on that day.

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

31. Clarification of bids. -

(1) No bidder shall be allowed to alter or modify his bid after the bids have been opened. However the procuring agency may seek and accept clarifications to the bid that do not change the substance of the bid.

(2) Any request for clarification in the bid, made by the procuring agency shall invariably be in writing. The response to such request shall also be in writing.



EDUCATION CORNER:

Transparency, a pre-condition for accountability

Transparency is crucial for sound decision-making in

procurement, particularly where public funds are concerned. There was agreement that transparency is among the most effective deterrents to corruption in public procurement. Transparent procedures allow a wide variety of stakeholders to scrutinise public officials' and contractors' decisions and performance. This scrutiny, in addition to other mechanisms, helps keep officials and contractors accountable. Conversely, the lack of transparency creates a haven for corruption. Elena Panfilova, Executive Director of Transparency International Russia, explained the context in Russia where the public procurement arena has shifted from under-regulation to over-regulation and where mechanisms to convey a clear understanding of the procurement process are lacking. Pierre-Christian Soccoja, Executive Secretary of the French Central Service for the Prevention of Corruption noted these and other geographic, structural, cultural challenges in building transparency that face transition economies. He stressed that while the call to fight corruption is universal and leaders in these efforts have come forward in many countries, progress remains scattered. Transparency alone, however, does not guarantee a procurement process free of corruption. Professor Frédéric Jenny, Chair of the OECD Competition Committee, remarked on the relationship between anticompetitive practices and corruption in public procurement. He noted that care must be taken to ensure that enhancing transparency to fight corruption does not increase the scope for anticompetitive practices and, consequently, to collusion and corruption among bidders. Yet another consideration is how transparency may possibly lead to infringement of intellectual property rights. In designing transparency rules and procedures, serious reflection must also be given to establishing clear and precise disclosure requirements for various types of information. Rules also need to address when and to whom the information is made available. For instance, it may be preferable that only the content of winning bids be released, to the exclusion of the contents of bids that were not selected. In some cases, this type of information should be made available only to issuers of tenders and controllers and not to competitors generally. OECD-FIGHTING CORRUPTION AND PROMOTING INTEGRITY IN PUBLIC PROCUREMENT - ISBN-92-64-01399-7 © OECD 2005