

"If you heard a person discredits the dignity and the honor of people, then try not to get introduced to him."

~ Hazrat Ali (Balagatol Hussain (as) , P. 284)

Managing Editor : 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

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

45. Closing of contract. -

(1) Except for defect liability or maintenance by the supplier or contractor, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of over all delivery certificate or taking over certificate which shall be issued within thirty days of final taking over of goods or receiving the deliverables or completion of works enabling the supplier or contractor to submit final bill and the auditors to do substantial audit.

(2) In case of defect liability or maintenance period, defect liability certificate shall be issued within thirty days of the expiry of the said period enabling the supplier or contractor to submit the final bill. Except for unsettled claims, which shall be resolved through arbitration, the bill shall be paid within the time given in the conditions of contract, which shall not exceed sixty days to close the contract for final audit.

46. Record of procurement proceedings. -

(1) All procuring agencies shall maintain a record of their respective procurement proceedings along with all associated documentation for a minimum period of five years.

(2) Such maintenance of record shall be subject to the regulations framed in this regard from time to time.

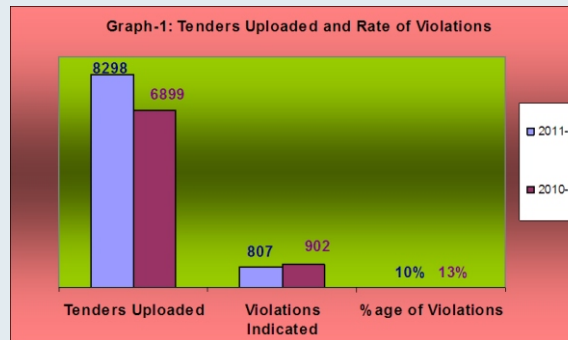
47. Public access and transparency. -

As soon as a contract has been awarded the procuring agency shall make all documents related to the evaluation of the bid and award of contract public:

Provided that where the disclosure of any information related to the award of a contract is of proprietary nature or where the procuring agency is convinced that such disclosure shall be against the public interest, it can withhold only such information from public disclosure subject to the prior approval of the Authority.

Monitoring and Evaluation:

Along with other factors, like Capacity Building Program of PPRA and online query system, the monitoring of tenders by the Authority has also helped in reducing the rate of violations made by the procuring agencies in their tenders published. Like previous years the current year i.e. 2011-12 has also witnessed lesser violations as compared to last year in July-November. The details are shown in graph-1 below:



"O' God! Surely you know that whatever we did was not a competition to gain worldly positions and not for the worthless physical attractions of the world. But to show the signs of religious ways and to remove corruption from your lands, so that the oppressed feel secured and act according to your traditions and rules."

~ Hazrat Ali (Tohaf-al- Uqoul, P. 239)

"My message to you all is of hope, courage and confidence. Let us mobilize all our resources in a systematic and organized way and tackle the grave issues that confront us with grim determination and discipline worthy of a great nation."

~ (Quaid-e-Azam Muhammad Ali Jinnah)



PPRA

Government of Pakistan

Public Procurement Regulatory Authority

FBC Building, G-5/2, Islamabad

(www.ppra.org.pk)

Phone # 051 9202254 Fax # 051 9219149

EDITOR'S NOTE: GOVERNMENT PROCUREMENT AND WTO PERSPECTIVE

Pakistan is a World Trade Organization signatory since 1st January 1995 and is bound by WTO perspective in government procurement of goods and services. Government procurement typically accounts for 10-15% of GDP for developed countries, and up to as much as 20% of GDP for developing countries. WTO members signed the plurilateral (only binding to WTO members who choose to sign) Agreement on Government Procurement (GPA) at the Uruguay Round in 1994. (A year earlier than Pakistan turned a signatory, therefore Pakistan is not a signatory to GPA). The agreement was based on the 1979 Tokyo Round government procurement agreement. The intention of the GPA is to ensure that government decisions regarding government purchases of goods and services do not depend upon where the good is produced or the service rendered, nor upon the supplier's foreign affiliations. The GPA signatories' initial step in establishing this "non-discrimination" was to create a working group at the 1996 Ministerial Conference in Singapore to investigate government procurement transparency. All WTO members were represented in this working group.

The Working Group on Transparency in Government Procurement examined questions such as:

1. Does a particular government publish the criteria upon which it bases its procurement decisions?
2. Does it publish the opportunities for procurement so that all suppliers know about them?
3. Does it encourage competition among potential suppliers? Many countries place restrictions on government procurement of both goods and services for a variety of reasons. Some will do so to encourage domestic industry, though many developing countries have limited domestic service industries, and turn to Foreign Service providers as a result. Several developed countries would like to see the GPA become a multilateral agreement. Such a step would increase market opportunities for their own firms, allowing them to bid for foreign government purchases on a "level playing field." The most vocal proponents of a multilateral GPA are the U.S. and E.U. Proponents of a multilateral GPA also see it as part of a "good governance" agenda for the developing world - the more transparent procurement processes are, they argue,

the less opportunity there will be for corruption and rent-seeking on the part of domestic governments and suppliers. While these countries hope for a multilateral GPA in the future, opposition to a multilateral agreement comes from several developing countries (particularly India, Pakistan and Egypt) and relief organizations, such as Oxfam. These parties see the opening of government procurement not as a way to gain a "level playing field," but rather as a situation in which developing and least developed countries are likely to lose ground to expanding industrial countries. The developing countries and relief organizations fear that the growing industries of developing nations will be at a disadvantage if large and established foreign companies are allowed to bid for government contracts alongside their own domestic firms, leading to balance of payments problems.

In addition, other opposing countries cite government procurement laws as a restraint on their ability to address certain non-trade issues, such as the environment, ecolabelling, and human rights issues. Currently, if a government has certain labor standards, for example, it may discourage human rights violations in the workplace by only purchasing from firms that meet their standards. Such countries argue that if government procurement laws would eliminate their discretion in deciding similar matters, and labor standards and environmental protection, among other things, would fall.

Conditions other than these in WTO perspective including country preference stand at cross purpose of WTO commitment. Furthermore, amendment in rules invoking country preference is way off the mark. This is worthy of note by the PPRA Board in particular.

ONLINE QUERY SYSTEM:

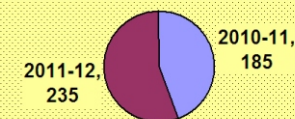
The launching of online query system in April 2010 by PPRA has been helpful for the stakeholders as they find replies to their queries within 24 hours. Mostly queries are related to the legal matters. The method of online queries has not only helped reducing the paper work in PPRA but also saves the time of stakeholders. The system has been highly effective to get speedy responses regarding various issues pertaining to PP Rules 2004 and procurement procedures. A rising trend of online queries has been noted since its inception and to date more than 1500 online queries have

been replied by the legal wing of PPRA.

GRIEVANCE REDRESSAL:

Despite some legal constraints it is worth mentioning that not only a substantial growth in the complaints lodged with PPRA has been recorded, but also the success rate has increased and reached to 64%. During July-November 2011-12, 235 complaints were received and were taken up with concerned procuring agencies. Out of 235 complaints 150 were settled. In the corresponding period last year 185 complaints were lodged with PPRA. The complaints received in the current year are 27% higher than the last year.

Graph-2: Complaints Received



RULES CORNER:

43. On account payments.- All procuring agencies shall make prompt payments to suppliers and contractors against their invoices or running bills within the time given in the conditions of the contract, which shall not exceed thirty days.

44. Entry into force of the procurement contract.- A procurement contract shall come into force,-

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

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