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Public Procurement Regulatory Authority

Cabinet Division Islamabad

The Rules Corner

Public Procurement Rule No. 15. Pre-qualification of suppliers and contractors. -

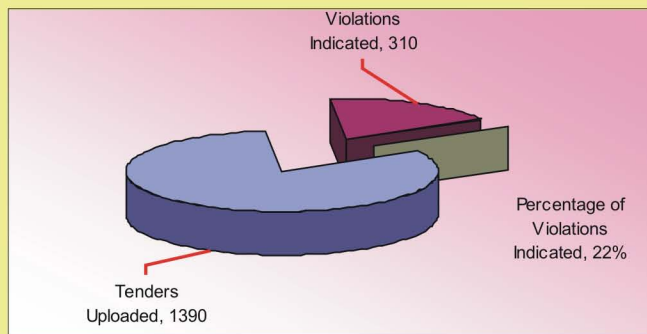
(1) A procuring agency, prior to the floating of tenders, invitation to proposals or offers in procurement proceedings, may engage in pre-qualification of bidders in case of services, civil works, turnkey projects and in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms having adequate managerial capability are invited to submit bids. Such pre-qualification shall solely be based upon the ability of the interested parties to perform that particular work satisfactorily.

(2) A procuring agency while engaging in pre-qualification may take into consideration the following factors, namely:-

- (a) relevant experience and past performance;
- (b) capabilities with respect to personnel, equipment, and plant;
- (c) financial position;
- (d) appropriate managerial capability; and
- (e) any other factor that a procuring agency may deem relevant, not inconsistent with these rules

Monitoring and Implementation :

The monitoring of tendering through by PPRA website is a continuous process. The IT wing indicates the violations of PP Rules made by procuring agencies. The process of monitoring helps enable the procuring agencies to remove the violations in future tendering. The data for the month of December 2009 is depicted in the graph.



Complaints Redressal : Performance in respect of grievance rederssal is shown in the following table;

Table 1: Grievances Redressal

Month	Complaints Received/Disposed off		Increase
	09 - 10	08 - 09	
July	20	03	17
August	17	02	15
September	27	01	26
October	31	02	29
November	20	03	17
December	19	04	15
July - December	134	15	119

PPRA News: The 1st Impact Evaluation Survey has been completed and findings/full report has been uploaded on PPRA website: www.ppra.org.pk

Procurement Code: For the facility of handy reference all laws and rules on procurement would be available in the form of a Procurement Code.

"The budget should be balanced, the Treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and the assistance to foreign lands should be curtailed lest Rome become bankrupt. People must again learn to work, instead of living on public assistance".

— Marcus Tullius Cicero (106 BC - 43 BC)



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New Year Note: Managing Editor

With the brand new year we come to you with salient features of PPRA's maiden Impact Evaluation Survey. Purely an "in-house, no-cost to the taxpayer" endeavor was a much in demand perception to assess where does this Regulatory Authority stand in the public sector seeking to bring transparency and fairness in interaction with the non-government sector. PPRA with its teething ills of non-comprehension and the rough and tumble of turf and unfulfilled desire of the interested to do away or take over, PPRA appears to have come of age and definitely here to stay in its pristine form. PPRA is sans claws, sans teeth but full in help, advice, compassion and building capacity. This issue contains information on what we did in the last year with an eye on tomorrow.

PPRA PERFORMANCE IN THE BYGONE 2009

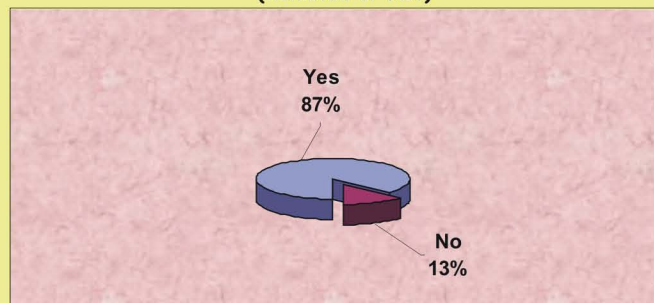
1. PPRA PUBLISHED ITS FIRST ANNUAL REPORT (2002-2008) SINCE ITS INCEPTION.
2. BROUGHT OUT NO-COST MONTHLY PPRA GAZETTE.
3. ESTABLISHED NATIONAL INSTITUTE OF PROCUREMENT IN PPRA BUILDING, IT IS AN IN-HOUSE TRAINING ROOM AND A LOUNGE FOR THE PARTICIPANTS, SAVING MILLIONS AS OF RENT.
4. SUCCESSFULLY COMPLETED PUBLIC SECTOR CAPACITY BUILDING PROGRAMME, HELD 103 TRAINING SESSIONS AND TRAINED MORE THAN 3000 GOVERNMENT FUNCTIONARIES IN PROCUREMENT LAW AND RULES AT THE NIP.
5. IMPLEMENTED BOARDS DECISION TO CHARGE A NOMINAL FEE I.E. RS.1500/ AND RS. 1000/ FOR PROCUREMENT TRAINING FOR SUSTAINED CAPACITY BUILDING OF FEDERAL GOVERNMENT OFFICERS/OFFICIALS AND ON ALL TENDERS UPLOADED ON PPRA WEBSITE AS CONTAINED IN PROCUREMENT LAW, RESPECTIVELY.
6. PAKISTAN PROCUREMENT CODE HAS BEEN COMPILED FOR THE FACILITY OF GOVERNMENT FUNCTIONARIES, PRIVATE SECTOR AND LEGAL FRATERNITY.
7. POSTING OF CONTRACT AWARDS OVER RS.50 MILLION ON PPRA WEBSITE INITIATED
8. RE-ENGINEERING OF PROCUREMENT PRACTICES OF PUBLIC SECTOR ORGANIZATIONS-PAKISTAN STEEL AND UTILITY STORES CORPORATION HAVE BEEN FINALIZED
9. PPRA SERVICE REGULATIONS HAVE BEEN PREPARED AND SENT FOR VETTING TO LAW DIVISION
10. PPRA CONDUCTED ITS 1ST "IMPACT EVALUATION SURVEY" WITHOUT ANY COST TO THE TAXPAYER.

Findings of 1st Impact Evaluation Survey-PPRA:

The survey elicited perceptions of various stakeholders on major functions like grievances redressal, capacity building, monitoring mechanism, PP Rules 2004 and transparency. Overall survey results indicate that the creation of PPRA has been helpful in introducing the new culture of public procurements in the country, in terms of awareness, professionalism and transparency. Response to various aspects transpire:

Transparency: Overall **87%** respondents believe transparency has improved in the public procurements. Further break-up of responses indicate that **89%** procuring agencies, **92%** trainees, **65%** bidders/suppliers and **13%** international organizations agree that transparency in public procurements has improved.

Perception of the overall respondents about Transparency (Achieved or Not)



Capacity building: Over **98%** of the respondents have shown great satisfaction over the achievements of the project. The level of satisfaction of **32%** have been very high, **65%** high and only **3%** had low satisfaction. The majority of international organizations (**67%**) of the respondents reported that capacity building program has been successful in achieving its objectives to a great extent. In respect of learning of PP Rules **100%** respondents perceived that the training program has been helpful in learning these Rules.

On the other hand, respondents have also pointed out the weaknesses of the training program and **20%** felt that topics were not covered fully, **23%** were not satisfied with schedule, **12%** showed their concern about facilitation/logistics and **7%** were not satisfied with

communication skills of lecturers. This feedback would be helpful in the improvement of the training program of PPRA.

Monitoring: About **75%** respondents are satisfied with the monitoring mechanism of PPRA, **93%** agencies agreed that due to the monitoring they have improved the compliance of PP Rules, **92%** say that the uploading of tenders have also been helpful in reducing the tendering cost.

Grievances Redressal: **81%** of the respondents reported that they got proper and swift response from the Authority in respect of processing of their complaints. However, the effectiveness of Rule 48 has been perceived by the bidders differently and majority of the bidders remains unsatisfied as only **16%** were satisfied with the dispute resolution mechanism under Rule 48 and majority of the bidders want more powers with PPRA in order to resolve disputes effectively.

PPR Rules 2004: According to **77%** of the overall respondents the PP Rules 2004 adhere to or proximate to international best practices. According to details **93%** procuring agencies, **82%** trainees and **80%** respondents of international organizations have shown satisfaction over the PP Rules in comparison with international best practices.

Capacity Building: Activities and Events

A 02 day Capacity Building Program on Public Procurement Rules & Procedures was held from 08th December, 2009 to 09th December, 2009 held at National Institute of Procurement (NIP), Public Procurement Regulatory Authority (PPRA), Islamabad. This was the 103rd Batch trained in NIP of PPRA.

