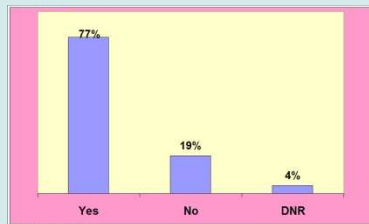


Impact Evaluation Survey [(findings part-IV) Perception about PP Rules 2004]

According to 77% of the overall respondents the PP Rules 2004 adhere to or proximate to international best practices, whereas, 80% respondents of international organizations, 93% procuring agencies, 82% trainees have shown satisfaction over the PP Rules in comparison with international best practices (Graph 1).

Graph 1: Perception about the PP Rules 2004: Whether they serve the Objective/adhere to best international practices?



MONITORING:

Monitoring is one of the effective tools to reduce the violation of PP Rules and to enhance fair and healthy competition in public procurements. The evidence to this claim is data which reveals a significant reduction in violations made by procuring agencies i.e. from 95% in 2004-05 to 26% in 2008-09. During the period July-April 2009-10 and 2008-09 a significant reduction in violations has been noted. Gradually the monitoring mechanism is strengthening as 21% lesser violations were pointed out during CFY as compared to the corresponding period of last year (Table 1).

Table: Comparative Monitoring Data July-April CFY Vs PFY

Heads	Jul-Apr 09	Jul-Apr 10 ^(*)	Growth(%)
Number of Tenders Uploaded	14,750	14,850	0.7
Violations Indicated	3,801	3,009	-21
% of Violations Indicated	25.8	20.3	

(*) Provisional data

RULES CORNER:

PP Rule 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:-

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

EDUCATION CORNER

E-Procurement: The modern era has witnessed rapid and dramatic changes affecting almost all the spheres of life. So is the case of businesses, trade & commerce and all sorts of transactions. Gone are the days when trading was a lengthy process and required excessive physical involvement and movement of businessmen and traders to search and procure the goods. Thanks to internet which has facilitated the sellers and buyers through e-procurement. The e-Procurement is the process of purchasing goods electronically. The stages include a) identification of vendors or suppliers, b) placing orders and c) the arrival of goods. E-procurement not only helps to improve the efficiency of the purchase process but also trims the costs involved. After the emergence of e-Procurement paper work and lengthy time has been reduced significantly thus saving millions of dollars.

Studies have shown that e-procurement is highly cost effective tool and firms enjoy lucrative returns. There is growing recognition of e-procurement benefits which has increased optimism towards automation. Some companies have adopted automation at all stages of the supply process to maximize e-procurement benefits. This method of procurement helps businessmen to make optimized plans for managing the supply chain. The optimized plans can be communicated quickly to the suppliers thereby reducing cost and wastages usually involved in the supply chain. Other advantages of e-procurement include reduction of overheads such as purchase agents, effective control of inventories, and the overall improvement of the manufacturing cycle. Moreover, the e-procurement shall benefit world economy as a whole by accelerating the demand of goods and services in local economies thus leading to higher employment creation and welfare.

As it is the beginning of new era so e-procurement is therefore, currently in most cases being used for the purchase of small and less expensive items and the traditional approach is still preferred for more expensive products such as complex engineering machinery. Nonetheless, with the passage of time the trust in e-procurement shall enhance and valuable goods shall also be traded.

E-procurement web sites allow qualified and registered users to look for buyers or sellers of goods and services. E-procurement is done with a software application that includes features for

supplier management and complex auctions. The new generation of E-Procurement is now on-demand or a software-as-a-service. The major types of e-procurement are Web-based ERP (Enterprise Resource Planning), e-MRO (Maintenance, Repair and Overhaul), e-sourcing, e-tendering, e-reverse auctioning, e-informing, e-marketsites.

E-procurement is a new phenomenon in Pakistan. The National Institute of Procurement NIP, PPRA has made a program to design IT related and cost effective solutions for its stakeholders enabling them to face the challenges of future and achieve economies of scale. As a first step PPRA has developed a web portal which provides the bases for e-procurement and shall develop Public Procurement Service (PPS) in order to facilitate public. (<http://en.wikipedia.org/wiki/E-procurement>)

PPRA Goes on:

- **ADB Seminar "Project Implementation and Administration" Islamabad, 12-16 April 2010.** Project Implementation and Administration (PIA) seminar brings together staff from Executing Agencies who have responsibility for administering ADB Loan Projects in Pakistan. Two PIAs were scheduled for Pakistan in 2010, the first took place from 12-16 April in Islamabad, and the second in September (dates to be finalized) in Lahore. The objective is to provide participants with an overview of ADB Procurement Policies and Procedures, using case studies and interactive approaches (role playing etc.), and to discuss problems which EAs encounter as implementers of ADB projects. The seminar is normally implemented over one week and is sub-divided into three components: (i) procurement of consulting services, (ii) procurement of goods and works and (iii) loan disbursement. An important part of the seminar is the presentation of national procurement policies and procedures and to understand how these differ from ADB's Policies and Procedures. In this context, both PEC and PPRA made presentations at the PIA seminar held in Islamabad.



- **The Pakistan Procurement Code is being updated with the addition of policy guidelines, issued by PPRA from time to time, and frequently asked questions to facilitate the stakeholders, readers and researchers.**