

"Power is always dangerous. Power attracts the worst and corrupts the best"

Edward Abbey

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standardization, reduction in maverick spending, quicker payment of invoices, faster delivery of goods and services, sharing of best practice, savings and benefits to both buying organisations and suppliers, reduction in paper used by changing to electronic processes meeting the greener strategic objective, reduction in journey's made to deliver tenders, purchase orders and invoices, ePS is an approach to public sector procurement that delivers rapid, sustainable and significant benefits to participating organisations. ePS drives commitment to public sector efficiencies, focusing on achieving the best value for the people of Scotland. PPRA Pakistan is studying eprocurement in the public sector.

International Procurement News :

The Office of Fair Trading (OFT) has fined 103 construction firms a total of £129.5 million for their part in bid-rigging scandals.

UK Public Procurement Oversight body called Office of Fair Trading (OFT) found that the building firms were engaged in illegal, anti-competitive activity on 199 contracts from 2000 to 2006. The OFT said this was mostly in the form of "cover pricing", where competing contractors collude to fix a high price for a deal, leaving buyers with a false impression of competitiveness. The firms were hit with average penalties of £1.26 million, but 86 of the 103 companies received reduced fines after admitting involvement. Nine companies originally listed in the OFT's Statement of Objections last year escaped penalties because there was insufficient evidence against them. A full list of the companies fined can be accessed at <http://tiny.cc/Nz9CA>

The watchdog also found six instances where successful bidders paid an agreed fee to the unsuccessful bidder, known as a "compensation payment". These ranged from £2,500 and £60,000 and were made through false invoicing. The bid-rigging affected building projects in England worth over £200 million, including schools, hospitals and private projects.

The OFT told public sector buyers not to automatically

exclude guilty suppliers from future tenders, but urged them to monitor bidding processes closely for anti-competitive behaviour. Simon Williams, senior director for the case at the OFT, said: "Our investigation has uncovered significant infringements of competition law on nearly 200 projects across England. Bidding processes are designed to ensure clients and in many cases taxpayers receive the best possible choice and prices were distorted, creating a real risk of increased prices

Capacity Building: Activities and Events



"Training Session held at National Institute of Procurement (NIP), Public Procurement Regulatory Authority (PPRA) on 28-29th September 2009"

A two day Capacity Building Program on Public Procurement Rules & Procedures was held from 28th September, 2009 to 29th September, 2009 at National Institute of Procurement (NIP), Public Procurement Regulatory Authority (PPRA), FBC Building, 1st Floor, G-5/2, Islamabad. It was the 92nd Batch trained under Public Sector Capacity Building Project. MD PPRA provided the background of public procurement regulatory reforms, road map of PPRA and its vision, the latest issues of various procuring agencies.

The program was highly successful and most of the participants recommended that the duration of this training program should be enhanced and more modules relating to procurement may be introduced to cater to the needs of procurement officials in the public and private sector in Pakistan.

Public Procurement Regulatory Authority

Cabinet Division Islamabad

12 PRINCIPLES OF PROCUREMENT :

Accountability, Competitive Supply, Consistency, Effectiveness, Efficiency, Fair Dealing, Integration, Integrity, Informed Decision Making, Legality, Responsiveness, Transparency

"Corruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish".

UN Convention against Corruption



PPRA

Government of Pakistan

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Message from Secretary Cabinet Division Zafar Mahmood



Public Procurement Regulatory Authority (PPRA) symbolizes the commitment of Government of Pakistan in combating corruption and instilling transparency in public procurements. It is a matter of great satisfaction that PPRA is putting its

best foot forward in creating awareness among procuring agencies and imparting training to procurement officials in the government. Transparent and efficient public procurements indeed play a vital role in the development of nations.

PPRA's concerted efforts in capacity building and constant monitoring of procuring agencies have started to bear fruit. The creation of National Institute of Procurement (NIP) is another laudable step in capacity building on permanent and systematic basis. NIP will definitely add another feather to its cap when the planned training program for the private sector in procurement laws and rules will become a regular feature of the institute.

Publication of "PPRA Pakistan Gazette" since July 2009, provides information on procurement related activities taking place around the globe. I wish PPRA more success in all its endeavors.

PPRA Before the Senate Standing Committee on Cabinet Secretariat, Inter Provincial Coordination and Special Initiatives.

Agha Shahid Bugti, Chairman of the Senate Committee took a detailed briefing on the working of PPRA Pakistan. The Committee urged early submission of Annual Procurement Reports by all federal government entities and directed Principal Accounting Officer's in the federal government to expedite reports for uploading them on PPRA website. The Chairman also directed stern action against public offices found contravening the provisions of PPRA Ordinance and Rules.

* "Corruption Undermines Trust, Erodes Development World Bank bars 351 companies and individuals from bank contracts"

Since 2001, the bank has processed around 3,000 allegations and debarred 351 companies and individuals from receiving bank contracts. The World Bank's list of debarred

companies and people is posted on the bank's Web site. According to World Bank "Corruption takes many forms, but bribery alone accounts for around \$1 trillion annually". The bank points to corruption and fraud as significant impediments to economic and social development, weakening institutions and the rule of law.

Monitoring and Implementation :

It is mandatory for procuring agencies to advertise all procurements over one hundred thousand rupees on PPRA website. Some agencies directly upload tenders, some send email/fax/letters to PPRA and remaining are clipped and scanned from newspapers to be uploaded on Authority's website by PPRA monitoring and IT wing. The details are given in the table below;

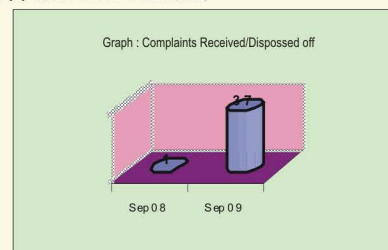
Tenders Uploaded- Summary for the Month of Sep 09

Total Tenders Uploaded	1346
Violations Indicated	246
Percentage of Violations Indicated	18%

PPRA monitoring section indicates the violations made by procuring agencies in tenders. Effective monitoring and capacity building program is producing desired results and the number of violations are declining over time. During September 2009 18% violations were indicated as compared to 24% in August 2009.

Complaints Redressal :

With the passage of time a visible improvement in the confidence of bidders/complainants has been witnessed in the grievance redressal mechanism of PPRA. It is evident from the data below that as against only one complaint received during September 08; it jumped to 37 in September 09 or an increase of 3600% (Graph). The management of PPRA is endeavoring to ensure transparency in public procurements in the country through speedy redressal of grievances. Any complaint received in PPRA is disposed off within 24 hours.



The Rules Corner :

Public Procurement Rule No. 9: Limitation on splitting or regrouping of proposed procurement.- "Save as otherwise provided and subject to the regulation made by the Authority, with the prior approval of the Federal Government, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the Authority's website as well as on the website of the procuring agency in case the procuring agency has its own website".

Importance of Rule 9 : It is mandatory for procuring agencies to advertise all proposed procurements in advance on Authority's website as well as website of procuring agency if it has its own website. Unfortunately response from procuring agencies in placing their annual proposed procurements on Authority's website has remained very poor. Keeping in view the weak enforcement of Rule 9 by the procuring agencies, the instructions have been issued from Managing Director (PPRA) to procuring agencies for strict compliance of the said rule for FY 2009-10. Up to now only 12 procuring agencies have complied with the instructions issued by PPRA. The remaining agencies are being persuaded to comply with Rule 9 in letter and spirit for efficiency, quality and transparency in public procurements.

* **TRANSPARENCY COMES FIRST :**

If you intend to make procurements in goods, services or works above Rs.100, 000 you have to advertise in print and electronic media under PPRA rules 2004. For transparency, tender uploading on www.ppra.org.pk is mandatory.

Around the Globe :

EProcurement ScotI@nd Service (ePS) was set up in 2002 and is now one of the most comprehensive and successful Public Sector eProcurement initiatives in the world. ePS was procured, and is managed, by the Scottish Government for the whole of the public sector in Scotland. The number of public sector bodies using ePS continues to grow on a yearly basis. The value of transactional spend going through ePS is continually on an upward trend. This means that as more business is carried out electronically then more efficiencies are gained, including consistency,