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Public Procurement Regulatory Authority

Cabinet Division Islamabad

Table 1: Tenders Uploaded- July 09

	Number	%age
Tenders Uploaded Directly	382	26.2
Tenders Received through email	346	23.7
Tenders received Fax & Letters	433	29.7
Tenders uploaded from newspapers	296	20.3
Total	1457	

PPRA also indicates the violations made by procuring agencies in tenders. A brief analysis of July, 09 has been presented in table 2.

Table 2: Violations Agencies during July 09

Rules Violated	No. of Times	% of Violations
12	142	32.6
13	101	23.2
33	88	20.2
23	29	6.7
28	28	6.4
16	21	4.8
10	10	2.3
25	10	2.3
24	04	0.9
09	02	0.5
42	01	0.2
	436	

During August 09 tenders uploaded on PPRA website were 718 and indicated violations stood at 173.

Upcoming Training Course at N I P (PPRA)

Next training course has been scheduled at National Institute of Procurement on 27-28 September 2009, 25 participants from 18 organizations would attend the course. 194 participants are waiting for their turn in upcoming fortnightly program.

The Rules Corner :

Public Procurement Rule No. 8: Procurement planning:-
"Within one year of commencement of these rules, all procuring agencies shall devise a mechanism, for planning in detail for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future."

Why Procurement planning?

Procurement planning is to determine what and when to procure goods, works and services. A Procurement Plan describes the details of proposed procurements like budget, quantity, timelines for bidding and delivery and preparatory homework for the process including market and product research. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery.

Around the Globe : ADB MANILA



The Managing Director PPRA attended the First Consultative Meeting of Asia Pacific Procurement Forum organized by ADB Manila, Philippines on August 24-25, 2009. Lengthy deliberations were held on the concept that procurement is central to effective and efficient delivery of public services. It also involves the management of large amounts of money and is the largest single cause for allegations of corruption and government inefficiency.

Through the Paris Declaration (Declaration of the Second High Level Forum on Aide Effectiveness, or HLF2) ADB member countries committed to develop reliable procurement systems. This was affirmed in September 2008 through the ACCRA Agenda for Action or AAA at HLF 3 and is the basis for review and assessment at HLF 4 scheduled for 2012.

There is no forum in the Asia Pacific Region that brings together Developing Member Countries (DMCs) procurement policy officials to share experiences, identify common issues and seek coordinated solutions. This meeting was in pursuance of this agenda held in a tight schedule and a tighter script.

**Fair Competition,
Transparency,
Accountability,
Value for money,
Efficiency,
Quality and
Economy.**

"It is said that power corrupts, but actually it's more true that power attracts the corruptible. The sane are usually attracted by other things than power."

David Brin



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Message from Ex-Managing Director PPRA : Sarfraz Ahmed Syed



PPRA Pakistan Gazette is indeed a professional Gazette which provides information and data on all aspects related to the role of PPRA. It is a step forward in increasing awareness amongst all the stakeholders. Sharing of information at this point of time when an unprecedented rate of social change coupled with the democratization process and international demonstration effect have exposed the society to myriad of cross currents is a great service to the nation.

I believe that besides regulatory measures, the establishment of National Institute of Procurement marks the birth of a new enterprise which is the compelling need of the time. I pin great faith in the enterprise as a means of developing the strength and quality of procurement professional that can play an increasing part in leading their organizations to the goals that have been set in public procurement regulatory framework.

Complaints Redressal :

The grievance redressal mechanism is to ensure the transparency in public procurements. Any bidder feeling aggrieved by any act of the procuring agency can lodge a written complaint to PPRA against procuring agency. During August 17 complaints were received and disposed off.

Monitoring and Implementation :

Under Rule 12 Procurement over one hundred thousand rupees and up to the limit of two million rupees are advertised on PPRA website. Similarly all procurement opportunities over two million rupees should be advertised on the authorities website as well as in other print media or newspapers having wide circulation. To follow this rule some agencies directly upload the tenders, some send email/fax/letters to PPRA and remaining are obtained from newspapers to be uploaded on Authority's website by PPRA monitoring and IT wing. The details are shown in Table 1.

Capacity Building: Activities and Events



Capacity Building and Training Workshop was held at Marriott hotel Karachi, organized by Transparency International Pakistan in collaboration with the Public Procurement Regulatory Authority. It was attended by a large number of procurement officials from different public sector organizations.

Mr. Muazzam Hussain, Deputy Auditor General gave an account of core values of PPRA and said they have a direct impact on economy and so must be abided in procurement processes. Mr. Hafeez-ur-Rehman, MD, PPRA gave a brief introduction of Public Procurement reforms, PPRA's function, responsibilities and achievements. He gave comparative position of previous and current regulatory regime in public procurements in Pakistan. He gave emphasis on increasing individual and institutional capacity for achieving transparency, efficiency, quality, economy and accountability in procurement processes.

Mr. Asif Ali of World Bank talked about the formation of Country Systems for procurement. He said PPRA acts as a catalyst and that for rules; application, enforcement and dealing with compliance are the key issues. He discussed the Key Challenges of PPRA including the application and interpretation of rules. He gave emphasis on formation of bidders right and also to appoint Procurement Ombudsmen for protection of bidders' rights. Mr. Tariq Anwar of Asian Development Bank said that the key problem in procurement is the weak capacity of counterparts. He said capacity building is essential to understand and follow procurement rules. Syed Adil Gilani., Chairman of Transparency International Pakistan discussed the TI- Corruption Perception Index, NCPS 2009 and violations of public procurement rules by different public sector enterprises. He stressed strict implementation of the PP Rules to ensure transparency and eradicate corruption from all public procurements. Country could save upto 195 billion rupees through transparent and corruption-free public procurements.

Message from Chairman Transparency International, Pakistan.

Syed Adil Gilani



Efficient procurement is a route towards effective implementation. Public sector procurements have long been guided by various sets of directives, where the requirement was to interpret under provided discretion and expectation was to remain unbiased. This dilemma had made audit a nightmare for the public procurement officers, keeping focus of due diligence limited to audit compliance, rather than economically efficient, competitive, yet transparent process.

Public Procurement Rules 2004 have been a great effort, and are one of the most transparent Procurement Rules.

The provisions which have made these rules ideal and most transparent are Signing of Integrity Pact and declaration of Agent's Agreement, evaluation of Lifecycle cost for equipment, Evaluation Report to be provided to bidders 15 days before award for filing objections, and also to be posted on procuring agency website Contract for Supply, Works and Consultants to be awarded only to the lowest responsive Evaluated Bidder, Rights of bidders for complaint on evaluation report and reply by department, within 10 days, and Publication of Contract Agreement including BOQ and Evaluation Report on the website after the Award on Contract, and any violation of these rules to be treated as Mis-Procurement. These were initially viewed as very unconventional, rather biased against the client. But experience endorses that call of a final price induces a very competitive bidding and pre award disclosure eliminates opacity by providing an equal opportunity to any complainant without having to delay the process.

There are a few areas where more work is required at the levels of policy and implementation. Standard bidding documents and formulation of blacklisting procedures are the foremost. All implementation agencies should take the responsibility to develop adequate capacity, the institutional as well as personnel. Operating procedures at the organizational level should be established and documented, and personnel processing procurement should be provided the required training in and exposure to the procurement rules. Looking back I see that these procurement rules have brought in considerable systemic robustness, and this is despite all the limitations that we are yet to overcome. Let me assure you that Transparency International Pakistan shall continue playing a proactive role in providing capacity building and monitoring procurement systems.