



# **Year Book 2017 - 18**

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## **Public Procurement Regulatory Authority** (Cabinet Division)

Public Procurement Regulatory Authority (PPRA) was established in the year 2002, under the Public Procurement Regulatory Authority Ordinance 2002 to build and strengthen Government capacity to develop a modern transparent and cost effective public procurement system and regulate public sector procurement of goods, services and works with a view to achieving transparency, integrity, efficiency, accountability, value for money and quality of public procurement, improving governance and management. The Authority is also tasked to create standard, coherent and transparent set of rules, regulations and procedures ensuring that its objectives are achieved; lay down code of ethic for transparent public procurement; inspection and quality of goods; recommend amendments to the existing laws and devise new laws to provide an equitable procurement regime. The PPRA has undertaken the following important initiatives/activities during 2017-18

### **Human Resource Development**

Human resource is a key factor in any organization and have pivotal role in performing its functions. During the year 2017-18 PPRA has enhanced its human resource capacity in order to perform its function at full strength with appropriate resources. Professional officers/officials have been recruited in PPRA recently which has increased the efficiency of PPRA by manifold. Against total sanctioned strength of 155 officers/officials, of PPRA is functioning with 86, so far.

### **Management Information System (MIS)**

The Authority has established a web portal where tenders issued by all procuring agencies are uploaded for advertisement and wider circulation. Additional feature of PPRA website is the development of web page for the suppliers. PPRA is monitoring all the advertisements relating to procurements on real time basis with a view to ensure compliance with Public Procurement Rules (PPR) 2004. Violations of the Public Procurement Rules are identified and got rectified from the procuring agencies. During FY 2017-18 a total of 37,923 tender notices of Public Sector Organizations were uploaded/ monitored, wherein 2105 deviations from the Public Procurement Rules 2004 have been pointed out in FY 2017-18 to the heads of the concerned procuring agencies for taking remedial measures.

<b>Period</b>	<b>Tender Uploaded</b>	<b>Violations Indicated/ Letters Issued</b>	<b>% PP Rules Violations</b>
01-07-2017 to 30-06-2018	37923	2105	5.55

### **Month-Wise Tender/PPRA Rules Violation Summary Report FY 2017-18**

Month	Tender Uploaded	Average Daily Tenders	Violation Indicated	% PP Rules Violations
July-17	3400	113	151	4.44
August-17	3055	102	168	5.50
September-17	3030	101	163	5.38
October-17	3345	112	177	5.29
November-17	3707	124	187	5.04
December-17	2557	85	149	5.83
January-18	3548	118	179	5.05
February-18	3236	108	231	7.14
March-18	3567	119	206	5.78
April-18	3457	115	189	5.47
May-18	2758	92	148	5.37
June-18	2263	75	157	6.94
<b>Total</b>	<b>37923</b>	<b>1264</b>	<b>2105</b>	<b>5.55</b>

### Online Tenders

The total registered users/ procuring agencies at PPRA web portal are 406 and they have uploaded 12855 on-line tenders during the period of 1<sup>st</sup> July, 2017 to 30<sup>th</sup> June, 2018, which comprising of 33.90 % of total uploaded tenders.

Period	Total Tenders Uploaded	On-Line Uploaded Tenders	% of On-Line Tenders
01-07-2017 to 30-06-2018	37923	12855	33.90

### Online Query System

The Online Query System of PPRA has been updated and a registration form has been designed which is available at PPRA website. The user either a procuring agency or a bidder is required to fill-up this form and submit online queries as and when needed. PPRA examined and responded to all such queries in the light of PPRA Ordinance, 2002, Public Procurement Rules, 2004 and the relevant regulations made there under. The reply furnished by PPRA in response to all online queries is also visible to general public for their guidance as well. During the period from 5<sup>th</sup> July, 2017 – 23<sup>th</sup> June, 2018, two hundreds and nineteen (219) online queries were responded by PPRA as per following:

Months	Online Queries replied by this Authority
July-17	19
August-17	19
September-17	24
October-17	18
November-17	21
December-17	33
January-18	13
February-18	19
March-18	22
April-18	17
May-18	14
<b>Total</b>	<b>219</b>

### **E-Procurement Strategy**

The traditional paper-based procurement processes have inherent problems like incomplete management information, inefficient procedures, high compliance costs for suppliers & departments, inferior procurement methodologies and a profound lack of transparency. Paper based procurement also results in uncoordinated buying across government with different departments having different contracts and different prices for the same goods. To avoid the risk of incompatibility with user requirements and capacities, PPRA initiated e-Procurement strategy with the support of World Bank. For hiring of a consultancy firm for implementation of e-procurement system through World Bank's Public Financial Management and Accountability to Support Service Delivery Program-for-Results (P for R) Program, PPRA has started process to hire consultancy services.

### **Amendments of Public Procurement Rules, 2004**

The World Bank Mission for Public Financial Management and Accountability to Support Service Delivery (P for R) Program has suggested modifications in Rules 10, 19, 24 and 33 of Public Procurement Rules, 2004 as "Prior Action" for release of US \$ 10 million. The same was passed by the PPRA Board in its 35<sup>th</sup> meeting held on January 04, 2018. The following amendments in the Public Procurement Rules, 2004 were approved;

- (1) In the aforesaid Rules, in Rule 2 in clause (f).  
after the words "exercise of his duty" the words "**or bid rigging**" shall be inserted;
- (2) In the aforesaid Rules, in Rule 10.

- (a) after the words “catalogue numbers” the words “**or name or origin of a country**” shall be inserted;
  - (b) after the words “or equivalent” the words “**after recording justification in writing in its record**” shall be inserted;
- (3)** In the aforesaid Rules, in Rule 24 in sub-rule (2).
- (a) after the words “preference to domestic” the word “**goods**” shall be inserted;
  - (b) after the words “suppliers or contractors” the words “**with category of procurement for international competitive bidding in bidding documents for procurement of goods and works**” shall be inserted;

**Court Cases**

A list of cases filed and heard in different courts of law pertaining to “Public Procurement” and Requirement process during the year 2017–18 are summarized below:

<b>Sr.</b>	<b>Name of Court</b>	<b>No. of Cases Filed</b>
1.	Supreme Court of Pakistan	02
2.	Islamabad High Court, Islamabad	19
3.	Lahore High Court, Lahore	04
4.	Sindh High Court, Karachi	04

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