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PART II

Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN

CABINET SECRETARIAT
(Cabinet Division)

NOTIFICATION

Islamabad, the 28th September, 2026

S. R. O. 1658(I)/2026.—In exercise of the powers conferred by section 26 of the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002), the Federal Government is pleased to make the following rules, namely:-

1. Short title and commencement.—(1) These rules may be called the Public Procurement Rules, 2026.

(2) They shall come into force at once.

GENERAL PROVISIONS

2. Definitions.—(1) In these rules, unless there is anything repugnant in the subject or context,—

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- (i) **“bid”** means a tender, an offer or an application, in response to a procurement notice by a bidder expressing his or its willingness to undertake the task specified in the bid on stated price or terms;
- (ii) **“bidder”** means a legal or natural person, firm, company or an organization, agent, consortium, joint venture partner, who submits a bid;
- (iii) **“bidding documents”** means a set of official documents including Expression of Interest and Request for Proposal that outlined the requirements, conditions and procedures for submitting a bid in a competitive bidding process;
- (iv) **“blacklisted”** means a bidder, contractor, supplier, consultant, vendor, consortium or joint venture prohibited or debarred from participating in the public procurement process of that particular procuring agency who issued blacklisting order;
- (v) **“call off order”** means an order placed by a procuring agency under general terms and pricing on a range of goods, works or services under closed framework agreement, without resorting to negotiating terms every time;
- (vi) **“closed framework agreement”** means an agreement with specified terms and conditions with an agreed price;
- (vii) **“competitive bidding”** means a procedure leading to the award of a contract whereby all the interested bidders may bid for the contract and includes both national competitive bidding and international competitive bidding;
- (viii) **“contractor”** means a bidder who signed a contract with procuring agency;
- (ix) **“contract”** means an agreement enforceable by law;
- (x) **“corrupt and fraudulent practices”** in respect of procurement process includes any one or combination of the following, namely:—
 - (a) **“coercive practice”** means any impairing, harming or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party;

- (b) **“collusive practices”** means any arrangement between two or more parties to the procurement process designed to stifle open competition for any wrongful gain, and to establish prices at artificial, non-competitive levels;
- (c) **“corrupt practices”** means offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the acts of another party for wrongful gain;
- (d) **“fraudulent practices”** means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; and
- (e) **“obstructive practices”** means harming or threatening to harm, directly or indirectly, persons to influence their participation in a procurement process, or affect the execution of a contract;
- (xi) **“cross debarred”** means bidder or a contractor debarred by the Authority and which shall be considered as debarred from participating in public procurement process for all procuring agencies;
- (xii) **“EPADS”** means E-Pak Acquisition and Disposal System, a digital system developed and enforced by the Authority to manage and administer the process of procurement
- (xiii) **“force account”** means execution of procurement of small works or non-consultancy services through direct contracting with any state-owned agency having resources to perform that particular assignment subject to ascertaining that it is cost and time effective;
- (xiv) **“framework agreement”** means a contractual arrangement which allows a procuring agency to procure goods **or** services that are needed continuously or repeatedly at agreed terms and conditions over an agreed period of time, through placement of a number of orders;
- (xv) **“GRC”** means Grievance Redressal Committee constituted under rule 65 for the Redressal of Grievances;
- (xvi) **“letter of award”** means formal communication issued by procuring agency to the successful bidder with an intent to award a procurement contract or to issue a purchase order;

- (xvii) **“non-consultancy services”** means services other than consultancy services, for the carrying out of any work or task, with or without the use of vehicles, machinery or equipment or may include the provision of operators, technicians or drivers.
- (xviii) **“open framework agreement”** means an agreement with specified terms and conditions without an agreed price;
- (xix) **“Ordinance”** means the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002);
- (xx) **“party”** means a natural or legal person, either as a claimant or defendant, who may or may not be a bidder;
- (xxi) **“performance guarantee”** means a bank guarantee, demand draft or any other instrument provided by the successful bidder as determined by the procuring agency to secure the obligation under the contract in accordance with the requirement set out in the bidding documents;
- (xxii) **“procurement assignment”** means handing over of performance functions i.e. acquisition of goods, works, services or disposal of public assets of procuring agency to any other procuring agency to perform on behalf of that procuring agency;
- (xxiii) **“procurement notice”** means formal intimation of procurement opportunities;
- (xxiv) **“proposal”** means an offer submitted by a bidder in response to request for proposal that may or may not include price;
- xxv) **“secondary procurement process”** means the process used under open framework agreement to select a bidder and award a call off contract for the procurement of goods, services or works;
- (xxvi) **“service provider”** means legal or natural person, firm, company, or an organization, agent, consortium, joint venture partner, whose proposal in response to request for proposal is accepted;
- (xxvii) **“standard bidding document”** means bidding documents issued by the Authority for purposes of standardization of the procurement process.
- (xxviii) **“successful bid”** means, a bid or a proposal for goods, works or services that after meeting the eligibility or qualification criteria, is

found responsive to the terms and conditions as set out in the bidding or request for proposal documents and evaluated as the highest ranked bid or proposal on the basis of—

- (a) Cost;
- (b) Quality; or
- (c) any combination thereof;

which shall be in conformity with the criteria as specified in the bidding documents or request for proposal documents; and

- (xxix) **“value for money”** means best returns for each rupee spent in terms of quality, timeliness, reliability, after sales services, up-grade ability, price, source, or the combination of whole-life cost and quality to meet the procuring agency’s requirements.

(2) Words or expressions used but not defined in these rules shall have the same meaning as are assigned to them in the Ordinance.

3. Scope and Applicability.—Save as otherwise provided, these Rules shall apply to all public procurements made by procuring agencies of the Federal Government whether within or outside Pakistan.

4. Principles of procurements.—Procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

5. International and Inter-Governmental Commitments of the Federal Government.—Whenever these Rules are in conflict with an obligation or commitment of the Federal Government arising out of an international treaty or an agreement with a State or States, or any international financial institution, the provisions of such international treaty or agreement shall prevail to the extent of such conflict.

6. Language.—(1) All communications and documentation related to procurements of the Federal Government shall either be in Urdu or English or both. Except where a procuring agency is situated outside the territories of Pakistan and procurements are to be made locally, the procuring agency may use the local language in addition to Urdu or English.

(2) Where the use of local language is found essential, the original documentation shall be in Urdu or English, which shall be retained on record and for all other purposes their translations in local language shall be used:

(3) In case of a dispute reference shall be made to the original documentation retained on record.

7. Integrity Pact.—Public procurements, exceeding the prescribed limits, shall be subject to an integrity pact, as specified in the standard bidding documents, between the procuring agency and the suppliers or contractors.

8. e-public Procurement.—The procuring agencies shall carry out public procurement through E-Pak Acquisition and Disposal System (EPADS).

RESPONSIBILITY FOR PROCUREMENT

9. Principal Accounting Officer or Head of Procuring Agency.—
(1) The Principal Accounting Officer or the Head of Procuring Agency, as the case may be, shall have overall control and supervision over the conduct of all public procurements by the procuring agency.

(2) Without prejudice to the generality of sub-rule (1), the Principal Accounting Officer or the Head of Procuring Agency shall—

- (a) ensure that all public procurements are conducted in accordance with the Ordinance, rules and regulations;
- (b) approve the annual procurement plan of the procuring agency;
- (c) establish a Procurement Cell in accordance with rule (10); and
- (d) set up Bid Evaluation Committees under rule 11;

(3) In respect of clause (c) of sub- rule (2),—

- (a) the Principal Accounting Officer or Head of Procuring Agency shall decide the size, location, and structure of the Procurement Cell, taking into account its procurement requirements and the availability of trained and experienced officers; and
- (b) where the level of procurement activity may not justify the creation of a Procurement Cell, the Principal Accounting Officer or Head of the Procuring Agency may nominate a single public officer to carry out the functions of a Procurement Cell.

(4) Where the Principal Accounting Officer or head of procuring agency for reasons of efficiency or expertise, is of the opinion that one or more procurement tasks in relation to a procurement of the administrative department or procuring agency under his control are better performed by the Procurement

Cell of another procuring agency under his administrative control, he may empower the latter to perform the said tasks.

10. Establishment of Procurement Cell.—(1) The Principal Accounting Officer or head of procuring agency shall establish a Procurement Cell, comprising officers, duly accredited by the Authority, having relevant qualification or experience.

(2) Where the officers appointed in Procurement Cell are not accredited by the Authority, they shall continue to serve in the Procurement Cell, subject to acquiring accreditation from the Authority within a period of twelve months from the date of notification of establishment of Procurement Cell in Procuring Agency.

(3) The Procurement Cell shall—

- (a) review and consolidate requisitions;
- (b) conduct market analysis, ensure budget availability and prepare Annual procurement plan;
- (c) liaise with end users to establish full contract requirements and technical specifications;
- (d) manage, where appropriate, the engagement of third-party technical experts where there is lack of relevant in-house technical expertise;
- (e) prepare and distribute pre-qualification documents, bidding documents, requests for proposals and requests for quotations;
- (f) publish procurement notices;
- (g) respond to requests for clarification of procurement notices and bidding documents;
- (h) receive and safeguard bids, proposals and quotations;
- (i) carry out procurement under clauses (a) and (b) of sub-rule (1) of Rule 32;
- (j) send bids and proposals to the bid evaluation committee or third-party evaluation committee in accordance with the financial limits prescribed in sub-rule (1) of rule 11 and sub-rule (1) of rule 13 respectively;

- (k) prepare and submit procurement contract award recommendations to the Principal Accounting Officer or Head of the Procuring Agency or an officer authorized by the Principal Accounting Officer or Head of the Procuring Agency under regulation 13 of the Public Financial Management and Powers of Principal Accounting Officer Regulations, 2021, for approval;
- (l) communicate the outcome of the relevant procurement process to the bidders through EPADS;
- (m) ensure that procurement contracts are performed in accordance with terms and conditions stipulated therein;
- (n) forward the case of blacklisting to the blacklisting committee of the procuring agency or the review committee of the Authority as the case may be;
- (o) prepare and submit to the Principal Accounting Officer or Head of Procuring Agency quarterly reports on the procuring agency's procurement activities but not less than two weeks after the end of each quarter;
- (p) undertake procurement contract administration through a contract management committee or contract manager;
- (q) manage the performance of suppliers, contractors and consultants under procurement contracts awarded by the procuring agency; and
- (r) maintain complete record of all procurement proceedings.

11. Bid Evaluation Committee.—(1) The Principal Accounting Officer or Head of the Procuring Agency or authorized officer shall constitute a Bid Evaluation Committee comprising odd number of members within the procuring agency for the purposes of bid opening and bid evaluation of all procurements with an estimated value up to two billion Pakistani rupees. At least one member of the committee must have relevant qualification or experience and accreditation by the Authority:

Provided that where an accredited member is not available within the procuring agency, a member without accreditation may be appointed to the Bid Evaluation Committee, subject to obtaining accreditation from the PPRA within a period of twelve months from the date of such appointment.

- (2) The functions of the Bid Evaluation Committee shall include—

- (a) to receive bid opening notification and record regarding bids, quotations or proposals as provided under clause (j) of sub-rule (3) of rule 10 from the Procurement Cell;
- (b) to open and evaluate the bids, quotations or proposals fairly, impartially and in accordance with the evaluation criteria described in the bidding documents;
- (c) to prepare bid evaluation report including recommendations for award of contract and submit to the Procurement Cell; and
- (d) to respond to queries raised by the Procurement Cell, third-party validation committee or Principal Accounting Officer or head of procuring agency.

12. Third-Party Validation Committee.—(1) The Principal Accounting Officer or head of the procuring agency shall notify a third-party Validation Committee comprising odd number of members (outside the procuring agency), from the pre-qualified pool maintained by the Authority or firm:

Provided that the Authority may also establish a pre-qualified pool of firms, where deemed appropriate.

(2) The third-party Validation Committee or Firm shall validate all procurements above five hundred million and up to two billion Pakistani Rupees. The third-party validation shall be conducted at the stage of preparation of specification and bidding documents, technical evaluation (if any) and final evaluation.

(3) In the event of conflict between the third-party validation and the Bid Evaluation Committee, the Principal Accounting Officer or head of the procuring agency shall make the final decision with written justification.

(4) The Committee or Firm, as the case may be, shall perform following functions, namely:—

- (a) review and verify the procurement in accordance with the annual procurement plan;
- (b) examine bidding documents including their conformity with the public procurement regulatory regime and completeness for the purpose;
- (c) oversee and review bid opening and evaluation process;

- (d) verify compliance with procurement regulatory framework;
- (e) identify any shortcomings, irregularities and non-compliance;
- (f) prepare and submit report with findings, observations and recommendations to the Principal Accounting Officer or the head of procuring agency through Procurement Cell, before finalisation of final evaluation report or award of contract.

(5) Where the third-party Validation Committee or the Firm determines that the procurement proceedings as conducted by bid evaluation committee comply with the relevant provisions of the Ordinance, Rules and Regulations, the committee or firm shall confirm the compliance of the procurement proceedings or; and refer the recommendation through Procurement Cell to the Principal Accounting Officer or Head of the Procuring Agency or an officer authorised by the Principal Accounting Officer or Head of the Procuring Agency, as the case may be, under regulation 13 of the Public Financial Management and Powers of Principal Accounting Officer Regulations, 2021 as amended from time to time.

(6) The third-party Validation Committee or the Firm may require information or documentation from Procurement Cell or Bid Evaluation Committee as it considers necessary for the purposes of this rule and Procurement Cell or Bid Evaluation Committee shall provide such information or documents.

13. External Bid Evaluation Committee.—(1) In order to ensure third-party evaluation, the Principal Accounting Officer or head of the Procuring Agency shall notify a committee comprising odd number of members, with at least two third members from outside the procuring agency, from the pre-qualified pool maintained by the Authority or firm, for opening and evaluation of bids for all procurements with an estimated value above two billion Pakistani rupees:

Provided that the Authority may also establish a pre-qualified pool of firms, where deemed appropriate.

- (2) The functions of Committee shall include—
 - (a) to receive bid opening notification and record regarding bids, quotations or proposals as provided under clause (j) of sub-rule (3) of rule 10 from the Procurement Cell;

- (b) open and evaluate the bids, quotations or proposals fairly, impartially and in accordance with the evaluation criteria in the bidding documents;
- (c) prepare technical evaluation report, if any and final evaluation report including recommendations for award of contract and submit the same to the Procurement Cell; and
- (d) respond to queries raised by the Procurement Cell, Principal Accounting Officer or head of procuring agency.

14. Assignment of procurement function from one procuring agency to another.—A procuring agency may assign whole or part of its procurement function to another procuring agency with the consent of that other procuring agency for acquisition of goods, works, services or disposal of public assets. The procuring agency to whom the procurement function has been assigned shall follow these rules for such purpose.

PROCUREMENT PLANNING

15. Procurement Planning.—(1) 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.

(2) The procuring agency shall publish an annual procurement plan on EPADS as well as on the website of the Authority, in accordance with the template issued by the Authority.

(3) The procuring agency shall ensure that all public procurements are conducted in accordance with its annual procurement plan.

(4) The procuring agency shall record the justification, in case of invoking a procurement method other than open competitive bidding.

(5) The procuring agency may revise or update its annual procurement plan according to its emerging requirements, after recording its justifications in writing.

16. Valuing procurement and artificial aggregation or division.—(1) The calculation of the estimated value of a procurement contract, or of all contracts under a framework agreement, shall be based on the total amount payable as estimated by the procuring agency.

(2) Calculation of the estimated value of works contracts shall take account of both the cost of the works and the total estimated value of the supplies necessary for executing the works.

(3) The estimated value shall be calculated at the time of the issuance of the procurement notice.

(4) The procuring agency shall not artificially divide an object of procurement with the intention of avoiding the fixed financial thresholds for determining the appropriate procurement method or otherwise limiting competition.

(5) Notwithstanding anything contained in sub-rule (4), a procuring agency may divide a procurement requirement, which may be procured as a single contract, into one or more packages or lots, which are to be tendered together, where it is anticipated that the award of several separate contracts may result in—

- (a) the best overall value for the procuring agency; or
- (b) the achievement of the Government's sustainable procurement goals.

(6) The estimated value of a contract divided into lots shall be the total value of all the lots to be procured.

17. Specifications.—(1) The procuring agency shall allow the widest possible competition by defining specifications in a manner that it shall not favour any single bidder nor put others at a disadvantage.

(2) The specifications may include, where appropriate—

- (a) the purpose and objectives of the procurement;
- (b) a full description of the requirement;
- (c) a generic specification to an appropriate level of detail;
- (d) a functional description of the requirements, including any environmental or safety features;
- (e) performance parameters, including outputs, timescales and any indicators or criteria by which satisfactory performance can be judged;

- (f) description of processes and materials;
- (g) dimensions, symbols, terminology language, packaging, marking and labelling requirements;
- (h) the common procurement vocabulary applicable in the case if devised;
- (i) inspection and testing requirements; and
- (j) any applicable standards.

(3) Any terms, specifications, standards feature, characteristics and requirements describing the technical or quality characteristics shall be generic in nature and shall not include reference to brand name, model number, catalogue number, name or origin of the country or similar classification except in case of sub-rule (4).

(4) In case the procuring agency is of the firm opinion that the use of or a reference to a brand name or a catalogue number is essential to complete an otherwise incomplete specification and no other sufficiently precise or understandable way of describing the characteristics of the goods, works or services to be procured is available, the words “or equivalent” shall be used after recording specific justifications in writing therein. The procuring agency shall be responsible for defining the parameters of “equivalence” in order to ensure transparency of the evaluation process.

(5) The Bidding documents and any additional information shall be made available to prospective bidders immediately after publication of procurement notice on EPADS.

PROCUREMENT PUBLICATIONS

18. Methods of publication.—(1) All procurements over two hundred thousand Pakistani rupees, including request for quotation, shall be published on the EPADS as well as on the website of the Authority and in addition to website of the procuring agency, if any:

Provided that the procuring agencies outside Pakistan shall carry out all procurements in accordance with the financial limits determined by the Authority through regulations.

(2) All procurement opportunities over five million Pakistani rupees shall be published on EPADS, as well as on other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other is in Urdu.

(3) The procuring agency shall ensure that the information published on EPADS and website of the procuring agency is complete for the purposes for which it has been published and such information shall remain available until the closing date for the submission of bids.

19. Response Time.—(1) The procuring agency shall set the response time for receipt of bids or proposals, including proposals for pre-qualification, from the date of publication of procurement notice, keeping in view the complexity, availability and urgency of individual procurement.

(2) The response time shall not be less than ten days for national competitive bidding and twenty days for international competitive bidding from the date of publication of procurement notice on EPADS.

(3) The response time shall be calculated from the date of publication of the advertisement on EPADS:

Provided that in case of procurement under clause (b) of sub-rule (1) of rule 32 the response time shall not be less than twenty-four hours.

20. Exceptions.—(1) Except as otherwise provided under these rules, it shall be mandatory for all procuring agencies to publish all procurement notices.

(2) The requirements of publication of procurement notices shall not be applicable where the procuring agency obtains prior approval of the Authority on one or more of the following grounds, namely:—

- (a) the proposed procurement is related to national security and its publication could jeopardize national security objectives; or
- (b) the proposed procurement notice or publication of it, in any manner, relates to disclosure of information, which is proprietary in nature or falls within the definition of intellectual property which is available from a single source.

QUALIFICATION, PRE-QUALIFICATION, AND DIS-QUALIFICATION OF BIDDERS SUPPLIERS AND CONTRACTORS

21. Eligibility of Bidders.—(1) A bidder shall be eligible to participate in a procurement process, if it—

- (a) possesses the technical competence, financial resources, equipment and other physical facilities, personnel, managerial capability, experience and past performance necessary to complete the procurement contract,

- (b) has the legal capacity to enter into a procurement contract;
- (c) has not been declared bankrupt or, in the case of company or firm, insolvent or being wound up and its activities or affairs are suspended by a Competent Authority or by the Court of law;
- (d) is not under any legal proceedings which may result in bankruptcy or any other situation entailing the total or partial loss of the right to administer and dispose of the property;
- (e) has not been convicted by a final judgment of a Court of Law,
- (f) is not blacklisted by the procuring agency or cross-debarred by the Authority at the time of the submission of bid;
- (g) is not blacklisted or debarred at the time of the submission of bid by an international financial institution, international organizations, or other multilateral development Bank for the period defined by them; and
- (h) is not convicted in the case of a company, its owners and beneficial owners, directors or officers of a criminal offence related to-
 - (i) its professional conduct; or
 - (ii) a prohibited practice within the period specified in the tender documents and has not, or in the case of a company, its owners and beneficial owners, directors or officers have not, been debarred from a procurement process in Pakistan.

(2) Except as permitted under the Ordinance, rules and regulations, the procuring agency shall not establish a criterion for eligibility of a bidder that-

- (a) discriminates against or among a bidder or against categories of bidders; or
- (b) is not required for the performance of the procurement contract; or
- (c) is not related to the avoidance of management of legal, reputational or economic risk to the procuring agency unless it is in the national interest to do so, and the criteria is set out in the bidding documents.

22. Pre-qualification.—(1) The procuring agency, prior to the floating of procurement notices, 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 determine the qualifications of the interested parties and shall solely be based on the ability of the interested parties to perform that particular work satisfactorily.

23. Pre-qualification Process.—(1) The procuring agency engaging in pre-qualification shall announce, in the pre-qualification documents, all information required for pre-qualification including instructions for preparation and submission of the pre-qualification documents, evaluation criteria, list of documentary evidence required to demonstrate their qualification and any other information that the procuring agency deems necessary for pre-qualification.

(2) The procuring agency shall publish evaluation report indicating the names of all bidders who have been pre-qualified and dis-qualified and the same shall be published on EPADS as well as on the website of the Authority and in addition to website of the procuring agency, if any.

(3) Any bidder or party aggrieved by the decision of the procuring agency may proceed in accordance with rule 65.

(4) The procuring agency shall finalize the pre-qualification process within reasonable time as specified in the pre-qualification documents, however, the pre-qualification shall be valid for a period of six months starting from the date of the publication of the pre-qualification results on EPADS.

(5) The procuring agency shall also communicate to those bidders who have not been pre-qualified the reasons for not pre-qualifying them.

24. Qualification and disqualification of bidders.—(1) The procuring agency, at any stage of the procurement proceedings, having credible reasons or *prima facie* evidence of any defect in the eligibility of a bidder, shall require the bidder to provide information concerning professional, technical, financial, legal or managerial competence whether already pre-qualified or not.

(2) The procuring agency shall disqualify a bidder from the procurement process if a bidder—

- (a) knowingly submits information concerning its eligibility that is materially inaccurate, incomplete or false; or
- (b) fails to provide the required information under sub-rule (1).

(3) The process of qualification and dis-qualification of a bidder shall be made part of record of procurement proceedings.

25. Blacklisting.—(1) The procuring agency shall initiate blacklisting proceedings in accordance with the Mechanism for Blacklisting Regulations, 2024 against any bidder, supplier or contractor and shall blacklist such bidder, supplier, or contractor—

- (a) for up to ten years in case the bidder, supplier or contractor has been involved in corrupt and fraudulent practices or convicted under the laws of Pakistan that calls into serious question the honesty of the person; or
- (b) for up to five years in case, the bidder, supplier or contractor in relation to a submission of bids has knowingly provided false or misleading information or has failed to disclose material information concerning its eligibility in accordance with rule 21; or
- (c) for six months in case the bidder, supplier or contractor has failed to perform its contractual obligations during the execution of the contract, subject to action taken by the procuring agency under the contract to establish a breach of contract; or
- (d) for six months in case it is established that the bidder, supplier or contractor has been consistently involved in putting abnormally low bids in order to disrupt the procurement process and to waste public resources; or
- (e) for a period of not more than six months, if the bidder, supplier or contractor fails to abide by a bid securing declaration, without being indulged in any corrupt and fraudulent practice.

(2) Such blacklisting action shall be communicated by the procuring agency to the respective bidder, supplier or contractor in the form of a decision-containing the grounds for such action.

(3) The procuring agency shall also communicate the blacklisting decision to the Authority along with the grounds for such action for the purpose of examining the same, and the Authority shall either set aside the decision of blacklisting or uphold the same with or without cross debarment.

(4) The Authority shall examine the record and, if it is established that the allegations levelled against the bidder, supplier or contractor are substantiated shall—

- (a) cross debar the bidder or supplier or contractor, for a period equal to the period of blacklisting awarded by the procuring agency under sub rule (1); or
- (b) cross debar the bidder or supplier or contractor from participation in all types of procurement process, subject to any condition the Authority considers necessary; or
- (c) impose fine as notified by the Authority, other than debarment keeping in view the gravity of the failure in performance of the contract.

(5) The decision to blacklist a bidder, supplier or contractor by the procuring agency shall not take effect unless legal remedy provided under sub-rule (6) is exhausted or lapsed. The final decision of blacklisting or cross debarment shall be immediately communicated to the bidder as well as uploaded on Authority's website.

(6) The bidder may file the review petition before the Authority within thirty days of communication of such blacklisting or debarment after depositing the prescribed fee and in accordance with procedure issued by the Authority, and the Authority shall evaluate the petition and decide within ninety days of filing of review petition. The decision of the Authority shall be final.

(7) The bidder who has been declared blacklisted or debarred by an international financial institution, international organization, foreign country or other multilateral development bank shall be treated as blacklisted and cross debarred from participating in any public procurement proceedings or entering into any public contract for such period as declared by that international financial institution, international organization, foreign country or other multilateral development bank:

Provided that in case of public sector entities, Public Procurement Regulatory Authority Board shall have the power to review and examine the case on the basis of evaluations made by the Authority, and decide the case accordingly.

(8) Notwithstanding anything contained in this rule, the blacklisted or debarred bidder, supplier or contractor shall be bound to perform its contractual obligations in such on-going public contract or contracts in which such bidder is already engaged. This shall, however, be at the option of respective procuring agency.

(9) If it is observed that the bidders have been consistently involved in putting abnormally low bids in order to disrupt the procurement process and to waste public resources, the matter may be referred to the blacklisting committee for further investigation and imposing of any penalty including blacklisting of the bidders, for a period not exceeding six months under clause (d) of sub-rule (1).

METHODS OF PROCUREMENT

26. Principal method of procurement.—(1) Save as otherwise provided in these rules, a procuring agency shall use—

- (a) open competitive bidding for the procurement of goods, works and services, whenever the cost of the object to be procured is more than the prescribed financial limit which is applicable under clause (b) of rule 32;
- (b) single stage two envelope bidding for purchase of commodities listed in schedule I of these rules;
- (c) open competitive bidding for procurement of goods or services under framework agreements;
- (d) request for proposals for consulting services in accordance with the relevant provisions of the Procurement of Consultancy Services Regulations prescribed by the Authority, and
- (e) gallop tendering.

27. Procedures of Open Competitive Bidding.—Save as otherwise provided in these rules, the following procedures shall be used for open competitive bidding, namely:—

- (a) **Single stage - one envelope procedure.**—Each bid shall comprise separately, financial proposal and technical proposal, (if any). All bids received through EPADS shall be opened and evaluated in the manner prescribed in the bidding document.
- (b) **Single stage – two envelope procedure.**—
 - (i) The bidder shall submit separately the technical proposal and the financial proposal;
 - (ii) initially, the technical proposal shall be opened whereas the financial proposal shall remain unopened;

- (iii) the procuring agency shall evaluate the technical proposal in a manner prescribed in advance, without reference to the price and reject any proposal which may not conform to the specified requirements. During the technical evaluation no amendments in the technical proposal shall be permitted;
 - (iv) after the evaluation and approval of the technical proposal the procuring agency shall at a time within the bid validity period, open the financial proposals of the technically accepted bids, and financial opening of the bids shall be through EPADS and participating bidders shall receive reports in their accounts on EPADS; and
 - (v) the bid found to be the most advantageous shall be accepted.
- (c) **Two stage bidding procedure.-**

First Stage:

- (i) The bidders shall first submit, according to the required specifications, a technical proposal without price;
- (ii) the technical proposal shall be opened and evaluated through EPADS in accordance with the specified evaluation criteria and any deficiencies and unsatisfactory technical features may be discussed with the bidders;
- (iii) after such discussions, all the bidders shall be permitted to revise their respective technical proposals to meet the requirements of the procuring agency;
- (iv) the procuring agency may revise, delete, modify or add any aspect of the technical requirements or evaluation criteria, or it may add new requirements or criteria not inconsistent with these rules:

Provided that such revisions, deletions, modifications or additions are communicated to all the bidders equally at the time of invitation to submit final bids:

Provided further that in setting the date for the submission of the revised technical proposal and financial proposal a procuring agency shall allow sufficient time not less than seven days to the bidders to incorporate the agreed upon changes in the technical proposal and prepare their financial proposals accordingly;

- (v) those bidders not willing to conform their respective bids to the procuring agency's technical requirements may be allowed to withdraw from the bidding without forfeiture of their bid security;

Second Stage:

- (i) the bidders, whose technical proposals or bids have not been rejected and who are willing to conform their bids to the revised technical requirements of the procuring agency, shall be invited to submit a revised technical proposal along with the financial proposal;
- (ii) the revised technical proposal and the financial proposal shall be opened at a time, date and venue announced and communicated to the bidders in advance; and
- (iii) the revised technical proposal and the financial proposal shall be evaluated in the manner prescribed above. The bid found to be the successful shall be accepted:

(d) **Two stage – two envelope bidding procedure.-**

First Stage:

- (i) The bidder shall upload separately the financial proposal and the technical proposal;
- (ii) initially, the technical proposal shall be opened through EPADS, whereas the financial proposal shall remain unopened;
- (iii) the technical proposal shall be discussed with the bidders with reference to the procuring agency's technical requirements;
- (iv) those bidders willing to meet the requirements of the procuring agency shall be allowed to revise their technical proposals following these discussions; and
- (v) bidders not willing to conform their technical proposal to the revised requirements of the procuring agency shall be allowed to withdraw their respective bids without forfeiture of their bid security;

Second Stage:

- (i) after agreement between the concerned committee and the bidders on the technical requirements, bidders who are willing to conform to the revised technical specifications and whose bids have not already been rejected shall submit a revised technical proposal and supplementary financial proposal, according to the technical requirements;
- (ii) the revised technical proposal and original financial proposal along with supplementary financial proposal shall be opened on respective specified time, date and venue announced in advance by the procuring agency; and
- (iii) the concerned committee shall evaluate the whole proposal in accordance with the evaluation criteria and the bid found to be the most advantageous shall be accepted:

Provided that in setting the date for the submission of the revised technical proposal and supplementary financial proposal a procuring agency shall allow sufficient time not less than seven days to the bidders to incorporate the agreed upon changes in the technical proposal and to prepare the required supplementary financial proposal.

28. Conditions for use of single stage one envelope, single stage two envelope, two stage and two stage two envelope bidding procedures.—Open competitive bidding procedures shall be used in the following circumstances, namely:—

- (a) single stage one envelope bidding procedure shall be used where specifications are clear, well defined and standardized and where no or extensive technical evaluation is required;
- (b) single stage two envelope bidding procedure shall be used where the bids are to be evaluated on technical and financial grounds and price is taken into account after technical evaluation;
- (c) two stage bidding procedure shall be adopted in large and complex contracts where technically unequal proposals are likely to be encountered or where the procuring agency is aware of its options in the market but, for a given set of performance requirements, there are two or more equally acceptable technical solutions available to the procuring agency; and

- (d) two stage two envelope bidding method shall be used for procurement where alternative technical proposals are possible, such as certain type of machinery or equipment manufacturing plant.

29. Procedure for procurement of commodities listed in schedule

1.—(1) Notwithstanding anything contained in these rules, the procuring agency shall follow the accelerated timelines set in schedule for the procurement of commodities listed therein and an advertisement for purchase of commodities listed in schedule I shall be published on the website of the Authority, procuring agency and such international websites or journals where advertisements for trade of these commodities are usually placed.

(2) The bidding documents for the procurement under this rule shall define the specifications, quantities, quality parameters, evaluation criteria and relevant national or international standards in addition to the specimen criteria.

(3) The bidding documents shall be uploaded on EPADS and shall contain the tentative dates for issuance of final evaluation report and signing of the contract.

(4) The evaluation report shall be communicated to all the bidders through EPADS immediately after its issuance in addition to posting the same on the website of the Authority and procuring agency.

(5) If it is mentioned in the bid data sheet that the bidders may offer less quantity as required to meet the demand, the procuring agency may award the remaining quantity to the next successful bidder and so on until the desired quantities advertised by the procuring agency are met with and if they agree to bring the price at par with the successful bidder.

30. Framework Agreements.—(1) The procuring agency through framework agreements, including open framework agreement and closed framework agreement may procure common use goods, services or works, where there is a recurrent need for the same, but the nature and timing of specific requirements are not known until an order is placed.

(2) In case of a closed framework agreement the procuring agency may place a call off order for goods, works or services under the general terms and pricing agreed in the framework agreement without negotiation.

(3) In case of an open framework agreement the procurement shall be made through a secondary procurement process, as and when required that is call off contract resulting in the award of contract.

(4) Maximum duration of open framework agreement shall not be more than three years and a closed framework agreement shall not exceed one year.

(5) A procurement contract or purchase order under open framework agreement may be awarded only to the bidder that is party to the open framework agreement and shall be awarded either—

- (a) by way of limited competition among bidders who are parties to the framework agreement; or
- (b) without competition—
 - (i) where only one bidder is party to the framework agreement; or
 - (ii) the framework agreement sets out an objective mechanism for selection of bidder.

(6) The procuring agency shall prepare provisional annual estimates including description, specifications, statement of requirements and quantities, based on rational demand estimates for goods or services to be procured through framework agreements.

(7) Based on such estimate, procuring agency shall initiate the pre-qualification proceedings for selection of bidders. Framework agreements may be made with the selected bidders.

(8) The procuring agency may on need basis pre-qualify new bidders during continuity of open framework agreements with previously pre-qualified bidders.

31. Gallop tender.—(1) The procuring agency, in case of procurement for goods, works and services in the market, may use gallop tendering method if the value of procurement is between seven hundred thousand Pakistani rupees and two million Pakistani rupees.

(2) The procuring agency shall adopt following procedure for gallop tendering, namely:—

- (a) the tender shall be published on EPADS, website of the Authority and procuring agency;
- (b) the minimum response time shall be five days from the date of publication of procurement notice on EPADS;

- (c) the bids shall be opened on the same date and at least thirty minutes after the closing time;
- (d) the procuring agency shall use single stage-one envelop procedure for gallop tendering;
- (e) the grievance filing and redressal time under gallop tender shall not be more than two days from the date of publication of final evaluation report on EPADS and after that procuring agency may issue the letter of award;
- (f) the procuring agency may issue the purchase or work order, after the issuance of the Grievance Redressal Report (if any); and
- (g) the bidder shall be required to furnish bid securing declaration.

ALTERNATIVE METHODS OF PROCUREMENT

32. Alternative methods of procurements.—(1) The procuring agency may utilize the following methods of procurement of goods, works and services, namely:—

- (a) **Shopping without request for quotations.**—Procuring agencies may procure all goods, works and services where the total amount of procurement is below two hundred thousand Pakistani rupees. The complete record of such procurement shall be available on EPADS.
- (b) **Shopping through request for quotations.**—Procuring agencies may procure all goods, works and services where the total value of procurement is more than two hundred thousand Pakistani rupees but less than seven hundred thousand Pakistani rupees through request for quotations from GST registered firms, if applicable, original equipment manufacturers or authorized dealers, provided a minimum of three quotations have been obtained and the object of the procurement is purchase from the supplier offering the lowest price.
- (c) **Direct contracting.**—A procuring agency may engage in direct contracting if the following conditions exist, namely:—
 - (i) the procurement concerns the acquisition of spare parts or supplementary services from original manufacturer or supplier;

- (ii) for reasons connected with protection of exclusive rights or intellectual property, the supplies may be manufactured or delivered only by a particular supplier;
- (iii) where a change of supplier would oblige the procuring agency to acquire material having different technical specifications or characteristics and would result in incompatibility or disproportionate technical difficulties in operation and maintenance;
- (iv) repeat orders not exceeding fifteen per cent of the original contract amount after expiry of the original procurement contract on the same price, terms and conditions;
- (v) when the price of goods, services or works is fixed by the government or any other Authority, agency or body duly authorized by the government, on its behalf; or
- (vi) for purchase of motor vehicle from local original manufacturers or their authorized agents at manufacturer's price:

Provided that, in case the requisite motor vehicle is not manufactured by a local original manufacturer, the motor vehicle or its parts may be procured from a foreign original manufacturer or its authorized agent at the manufacturer's price.

- (d) **Negotiated tendering.**—A procuring agency may engage in negotiated tendering through EPADS with one or more bidders with or without prior publication of a procurement notice. This procedure shall only be used when,—
 - (i) the supplies involved are manufactured purely for the purpose of supporting a specific piece of research or an experiment, a study or a particular development;
 - (ii) for artistic reasons, or for reasons connected with protection of exclusive rights or intellectual property, the supplies may be manufactured or delivered only by a particular supplier; or
 - (iii) for reasons of extreme urgency brought about by events unforeseeable by the procuring agency, the time limits laid down for open and limited bidding methods cannot be met. The circumstances invoked to justify extreme urgency must not be attributable to the procuring agency;

Provided that any procuring agency desirous of using negotiated tendering as a method of procurement shall record its reasons and justifications in writing for resorting to negotiated tendering and shall place the same on record.

(e) **Force Account.**—A Procuring agency, may use force account through EPADS, if the value of procurement shall not exceed two hundred million Pakistan rupees, subject to the following conditions, namely:—

- (i) the required works are small, scattered or remotely located for which qualified construction firms are not available to bid at reasonable prices; or
- (ii) the project is of sensitive nature and its information may not be shared with private sector:

Provided that the procuring agency or other government agency engaged for the procurement shall accomplish the task exclusively through its own resources without involving private sector as a partner or in the form of joint venture or as a sub-contractor. The procuring agency shall issue a certificate to this effect at the time of processing each payment under the contract.

(f) **Direct Contracting with State Owned Entities.**—A procuring agency may engage through EPADS in direct contracting with state owned entities such as professional, autonomous or semi-autonomous organizations or bodies of the Federal or Provincial Governments for the procurement of such works and services, including consultancy services, which are time sensitive, scattered, remotely located and in the public interest, subject to the following conditions, namely:—

- (i) the organization or the body to be engaged in direct contracting shall be eligible to perform the works or render the services;
- (ii) the organization or the body shall accomplish the work or the services including consultancy services, exclusively through its own resources without involving private sector as a partner or in the form of a joint venture or as a sub-contractor:

Provided that where specialized project components are required to be outsourced, the State-Owned Entity may assign the respective work to sub-contractor(s), which shall in no case exceed 40% of the total quantum of the work assigned to the said entity.

- (iii) in case there are more than one organizations or bodies eligible to perform the works or render the services, the procuring agency shall hold competition amongst them through limited tendering (notifications) without any advertisements, however, giving reasonable time for submission of their applications or proposals;
- (iv) the procuring agency shall devise a mechanism for determining price reasonability to ensure that the prices offered by the state-owned entities are reasonable for award of the contract:

Provided that, in case the entity engages in subcontracting, beyond permissible limit, under this rule, it shall fall within the ambit of material deviation as provided in sub-rule (4) of rule 67.

Provided further that the Head of the Procuring Agency shall submit an undertaking on EPADS that the conditions prescribed in this rule are being satisfactorily met.

(2) All financial thresholds enumerated in this rule may be modified by the Authority from time to time.

33. Procurement of second-hand goods through E-Pak Acquisition and Disposal System.—(1) The procuring agency may procure second-hand goods, if doing so shall provide an economic and efficient means of achieving its objectives. The following are the requirements which shall apply, namely:—

- (a) any risk mitigation measures that may be necessary shall be reflected in the standard bidding documents;
- (b) the procurement of second-hand goods shall not be combined with the procurement of new goods; and
- (c) the specifications or technical requirements shall describe the minimum characteristics of the second-hand goods, including the age and condition.

(2) The procuring agency shall consider the following criteria in making the determination for procuring a used item, namely:—

- (a) quality, type, use and life expectancy of new against used item;
- (b) the estimated purchase price of new against used item, and used against used item;
- (c) risks presented by used against new item, including the possible contamination from prior usage, modification of item that may pose safety hazards or other similar hazards;
- (d) the relative price and general condition of a used item;
- (e) the warranty offered for “used” against “new” item;
- (f) the availability of service, maintenance plans, and parts of a used against new item;
- (g) payment terms;
- (h) that it meets minimum international safety standards, where applicable; and
- (i) the consideration of the freight and insurance charges, where applicable.

(3) For the purposes of application of this rule, Principal Accounting Officer or head of procuring agency shall ensure third-party validation by constitution of a Technical Committee comprising odd number of experts, outside the procuring agency from the pool of experts of Authority on EPADS, to determine the viability of the second-hand procurement.

(4) Inspection committee, contract manager or supervisor engineer, as the case may be, shall ensure pre-shipment, onsite inspection or verification and post-delivery inspection or verification of the product being procured under this rule.

BIDDING DOCUMENTS

34. Bidding documents.—(1) The procuring agencies shall use standard bidding documents notified through regulations by the Authority:

(2) In case the standard bidding documents for any specific category of procurement are not notified by the Authority through regulations, the procuring agency may formulate precise and unambiguous bidding documents, not inconsistent with these rules.

(3) Bidding documents shall be published through EPADS immediately after the publication of procurement notice.

(4) The bidding documents shall include the following, namely:—

- (a) procurement notice;
- (b) instructions to bidders;
- (c) bid data sheet;
- (d) technical specification, where applicable;
- (e) delivery time or completion schedule;
- (f) qualification criteria, where applicable;
- (g) bid evaluation criteria;
- (h) format of all securities required, where applicable;
- (i) details of standards, if any, that are to be used in assessing the quality of goods, works or services specified;
- (j) form of bid;
- (k) form of contract;
- (l) general and special conditions of contract;
- (m) specifications and drawings or performance criteria, where applicable;
- (n) list of goods or bill of quantities, where applicable; and
- (o) any other detail not inconsistent with these rules that the procuring agency may deem necessary.

(5) In the case of framework agreements, the standard bidding documents shall specify—

- (a) that the procurement shall lead to the conclusion of a framework agreement;

- (b) if the framework agreement is to be concluded with one or more than one bidder any minimum or maximum limit on the number of bidders that shall be parties thereto; and
- (c) the form, terms and conditions of the framework agreement.

(6) In case of pre-qualification and expression of interest process, the documents shall specify the following, namely:—

- (a) invitation to applicant;
- (b) instructions to applicants;
- (c) application data sheet;
- (d) scope of procurement;
- (e) qualification criteria, experience and requirements; and
- (f) form of application.

(7) Any information that becomes necessary for bidding or for bid evaluation, after the invitation to bid shall be provided on EPADS in a timely manner and on equal opportunity basis. Where notification of such change, addition, modification or deletion becomes essential such notification shall be made on EPADS in a manner similar to the original publication.

35. Reservations and preference.—(1) The procuring agencies shall allow all prospective and eligible bidders to participate in procurement proceedings, except in cases where a procuring agency decides to limit such participation only to national bidders or certain categories of national bidders or prohibit participation of bidders of some nationalities, in accordance with the policy of Federal Government.

(2) The procuring agency shall evaluate and compare bids, allow for preference to domestic bidders, while competing with the international bidders in accordance with the policies of Federal Government for—

- (a) works projects; and
- (b) certain goods manufactured, mined, extracted and grown in the Islamic Republic of Pakistan.

(3) The percentage of preference, to be accorded shall be clearly mentioned in the bidding documents under the bid evaluation criteria.

36. Bid security.—The procuring agency may require the bidder to furnish an amount of bid security not exceeding five percent in case of procurements up to two hundred and fifty million Pakistani rupees and not exceeding two percent in case of procurements above two hundred and fifty million Pakistani rupees of the estimated value of procurement determined by the procuring agency:

Provided that in case where the procuring agency may not require the bid security, the bidder shall submit bid security declaration on the format determined by the Authority in standard bidding documents.

37. Bid Validity.—(1) The procuring agency, keeping in view the nature of the procurement, shall subject the bid to a bid validity period.

(2) The bids shall be valid for the period of time specified in the bidding document.

(3) The procuring agency shall ordinarily be under an obligation to process and evaluate the bid and to issue letter of award within the stipulated bid validity period. However, under exceptional circumstances and for reasons to be recorded in writing, if an extension is considered necessary, all those who have submitted their bids shall be asked to extend their respective bid validity period through EPADS. Such extension may be more than one time but the total period of such extension shall not exceed the original bid validity period.

(4) Bidders who—

- (a) agree to extend their bid validity period shall also extend the validity of the bid security for the extended period of the bid validity;
- (b) agree to the procuring agency's request for extension of bid validity period shall not be permitted to change the substance of their bids; and
- (c) may not agree to an extension of the bid validity period shall be allowed to withdraw their bids without forfeiture of their bid securities.

38. Clarifications.—(1) Clarifications of the bidding documents may be requested through EPADS by any bidder up to three days prior to the deadline for the submission of bids.

(2) The procuring agency shall respond promptly through EPADS to any request by a bidder for clarification of the bidding documents and shall respond within two days.

(3) Responses to requests for clarification shall be communicated in writing through EPADS to all bidders participating in the procurement proceedings.

(4) No bidder shall be allowed to alter or modify his bid after the bid has been opened, however, the procuring agency may seek any clarification through EPADS that may not change the substance of the bid.

39. Extension of time for submission of bids.—The procuring agency may extend the time for submission of bids under special circumstances, after recording reasons in writing and in equal opportunity manner. Publication of such extension in time shall be made through EPADS in a manner similar to the original publication.

OPENING, EVALUATION AND REJECTION OF BIDS

40. Submission and opening of bids.—(1) The last date for submission of bids and opening of bids shall be the same.

(2) Bids shall be opened at the time specified in the bidding documents and shall be opened not less than thirty minutes after the deadline for submission of bids.

(3) All bids received shall be opened through EPADS.

(4) The Bid Evaluation Committee shall generate minutes of meeting through E-PADS containing brief details of bid opening process.

(5) The procuring agency shall live broadcast the opening of bids on national media or on their website or digital channels, if the volume of procurement exceeds five hundred million Pakistani rupees in case of goods and services and one thousand million Pakistani rupees in case of works:

Provided that in case the date of opening of bid has been declared as public holiday or the procuring agency fails to open bid due to any EPADS related issues, the submission and opening of bids shall be shifted to the next working day on the same time.

41. Evaluation criteria.—The procuring agency shall formulate an appropriate and unambiguous evaluation criteria listing all the relevant information against which a bid is to be evaluated such evaluation criteria shall form an integral part of the bidding documents. Failure to provide for an appropriate and unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.

42. Evaluation of bids.—(1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents. Save as otherwise provided for in these rules, no evaluation criteria shall be used for evaluation of bids that have not been specified in the bidding documents.

(2) For the purposes of comparison of bids quoted in different currencies, the price shall be converted into a single currency specified in the bidding documents. The rate of exchange shall be the selling rate prevailing on the date of opening of financial bids specified in the bidding documents, in accordance with weighted average customer exchange rates list issued by the State Bank of Pakistan on that day.

(3) A bid once opened in accordance with the prescribed procedure shall be subject to only those rules, regulations and policies that were in force at the time of issue of procurement notice.

(4) In case of tie of bids, the bidders shall be provided an opportunity to offer their best and final monetary offer through EPADS. However, in no case the rates shall be higher than the original financial bids.

43. Abnormally low bids.—(1) Subject to sub-rule (2), a procuring agency may, in the procurement of goods, works and services, reject a bid if it has determined that the price, in combination with other constituent elements of the bid, is abnormally low in relation to the subject matter of the procurement such that it raises material concerns on the part of the procuring agency as to the ability of the bidder to perform the procurement contract satisfactorily for the offered price.

(2) A procuring agency shall not reject a bid as abnormally low under sub-rule (1) unless the procuring agency—

- (a) requested through EPADS from the bidder a written clarification of bid, including a detailed price analysis of its bid price in relation to the subject matter of the procurement contract, scope, methodology, schedule, allocation of risks and responsibilities and any other requirements of the bidding documents; and
- (b) having taken into account the information provided by the bidder in response to a request under clause (a) and the information included in the bid, the procuring agency determines that the bidder has failed to demonstrate its ability to perform the procurement contract satisfactorily against the offered price.

(3) The procuring agency shall promptly communicate to the bidder concerned its decision to reject the bid, including the reasons for the decision. The procuring agency may reinitiate the bidding process after communication of such decision.

(4) Every abnormally low bid shall be investigated in order to determine the reason for submitting the bid including whether the bid was submitted in order to remove other bidders from competition.

(5) In case it is established after investigation that the bidder submitted an abnormally low bid to remove other bidders from competition or to frustrate the bidding process, the procuring agency may blacklist the bidder in accordance with Rule 25(1)(d).

44. Discriminatory and difficult conditions.—Save as otherwise provided, no procuring agency shall impose any condition, which discriminates between bidders or that is considered to be met with unnecessary difficulty. In ascertaining the discriminatory or difficult nature of any condition reference shall be made to the ordinary practices of that trade to which that particular procurement is related.

45. Rejection of bids.—(1) The procuring agency may reject all bids or proposals at any time prior to the issuance of letter of award on the following grounds, namely:—

- (a) the bids, proposals or quotations submitted are substantially non-responsive; or
- (b) there is evidence of lack of competition; or
- (c) where the bid materially impairs fair competition or is prejudicial to the interests of the procuring agency.

(2) Notice of the rejection of all bids or proposals shall be given promptly to all bidders through EPADS.

(3) The procuring agency shall upon request communicate to any bidder who submitted a bid or proposal, the grounds for its rejection of all bids or proposals, but is not required to justify those grounds.

(4) The procuring agency shall incur no liability, solely by virtue of invoking sub-rule (1) towards bidders who have submitted bids or proposals.

46. Cancellation of procurement.—(1) The cancellation of procurement proceedings are not permitted unless there is a written finding that—

- (a) the procurement need has ceased to exist or changed significantly;
 - (b) insufficient funding is available for the procurement;
 - (c) there is a significant change in the required technical details, bidding conditions, conditions of contract or other details, such that the recommencement of procurement proceedings is necessary; or
 - (d) it is otherwise in the public interest.
- (2) The procuring agency shall incur no liability towards bidders solely by virtue of its invoking this rule.

47. Re-bidding.—(1) If the procuring agency has rejected all bids under rule 45 it may call for re-bidding.

(2) The procuring agency before procurement notice for re-bidding shall assess the reasons for rejection of all bids and may revise specifications, evaluation criteria or any other condition for bidders as it may deem necessary.

48. Announcement and publication of evaluation result.—Subject to the procedure adopted for the procurement, the procuring agency shall announce and publish the result of pre-qualification, where applicable and final bid evaluation on EPADS as well as website of the Authority and procuring agency, if any, on the format specified by the Authority giving brief justification for acceptance or rejection of the bids, against all aspects of evaluation criteria prior to the award of procurement contract:

Provided that in case where technical proposal is to be evaluated separately, prior to opening of financial proposal, the technical evaluation report on the format specified by the Authority containing brief summary of reasons shall be announced and published on EPADS as well as website of the Authority and procuring agency, if any, before opening of the financial proposal.

ACCEPTANCE OF BIDS AND AWARD OF PROCUREMENT CONTRACTS

49. Acceptance of bids.—The successful bidder shall be awarded the procurement contract, after exhausting the time period given under sub-rule (3) of rule 65 or the period mentioned in sub rule (6) of rule 65 or such additional period during which the signing of the contract is suspended by the Appellate Committee of the Authority.

50. Single responsive bid in goods, works and services.—(1) The procuring agency may consider single bid in goods, works and services if it—

- (a) meets the evaluation criteria, ensures compliance of specifications and other terms and conditions expressed in procurement notice; and
- (b) has financial conformance in terms of rate reasonability.

(2) The procuring agency shall make decisions with due diligence and in compliance with general principles as enunciated in rule 4.

(3) Where a single bid in relation to goods, works and services has been received or is found to be technically responsive, the procuring agency may undertake market survey to determine whether the bid is reasonable and in accordance with market conditions.

51. Performance guarantee.—Where it is expressly provided in the bidding documents, the procuring agency shall require the successful bidder to furnish a performance guarantee which shall not exceed ten percent of the contract amount.

52. Letter of credit.—Where required the procuring agency may incorporate the provision of letter of credit (LC) and INCOTERMS issued by International Chamber of Commerce, in such processes where shipments and custom clearance are involved.

52A. Limitation on negotiations.—(1) Without changing the cost and scope of work or services, the procuring agency may negotiate with the successful bidder (with a view to streamline the work or task execution, at the time of contract finalization) on methodology, work plan, staffing and special conditions of the contract.

(2) Notwithstanding sub-rule (1), there shall be no limitation on the successful bidder offering voluntary reduction in bid price without affecting the quality or scope of the procurement.

(3) Authority may determine the extent and types of negotiations on procurement under sub-rule (1) by regulations.

53. Confidentiality.—The procuring agency shall keep all information regarding the bid evaluation confidential until the time of the announcement and publication of the evaluation report in accordance with the requirements of these rules.

54. On account payments.—All procuring agencies shall make prompt payments, when applicable, to suppliers and contractors against their invoices or running bills within the time given in the conditions of the contract, which shall not exceed thirty days.

55. Entry into force of the procurement contract.—A procurement contract shall come into force,—

- (a) where no formal signing of a contract is required, from the date of the letter of award or purchase order has been given to the bidder whose bid has been accepted. Such letter of award or purchase order shall be issued within a reasonable time; or
- (b) where the procuring agency requires signing of a written contract, from the date on which the signatures of both the procuring agency and the successful bidder are affixed to the written contract. Such affixing of signatures shall take place within a reasonable time:

Provided that where the coming into force of a contract is contingent upon fulfilment of a certain condition or conditions, the contract shall take effect from the date whereon such fulfilment takes place within the time mentioned in bidding documents.

MAINTENANCE OF RECORD AND FREEDOM OF INFORMATION

56. Record of procurement proceedings.—(1) All procuring agencies shall maintain a record of their respective procurement proceedings along with all associated documentation for a minimum period of five years.

(2) Such maintenance of record shall be subject to the regulations framed in this regard from time to time.

57. Public access and transparency.—As soon as a contract has been awarded the procuring agency shall make all documents related to the evaluation of the bid and award of contract public on EPADS:

Provided that where the disclosure of any information related to the award of a contract is of proprietary nature or where the procuring agency is convinced that such disclosure shall be against the public interest, it can withhold only such information from public disclosure subject to the prior approval of the Authority.

CONTRACT MANAGEMENT AND ADMINISTRATION

58. Appointment of Contract Manager.—(1) The procuring agency shall designate a contract manager for each procurement or class of procurement.

(2) The Contract Manager shall manage the contract in accordance with the terms and conditions of the contract and procedure prescribed under rules and regulations.

(3) Without prejudice to the generality of sub-rule (2), the Contract Manager shall—

- (a) keep an accurate record of all dealings with the contractor including minutes of every meeting with the contractor and the details of any matter discussed or decision made;
- (b) represent the interests of the procuring agency under every procurement contract; and
- (c) use EPADS for contract management, to the extent of functionality available on EPADS.

(4) The Contract Manager shall not permit any performance to commence before a procurement contract has been signed or notice to commence work or supply has been issued.

(5) The Contract Manager shall report any substantial breach of contract to the Principal Accounting Officer or head of the procuring agency or an officer authorized by them.

59. Duties of the Contract Manager.—(1) The Contract Manager shall:—

- (a) manage the obligations and duties of the procuring agency specified in the contract; and
- (b) ensure that the contractor performs the contract in accordance with the terms and conditions of the contract.

(2) The Contract Manager shall be responsible for—

- (a) monitoring the performance of the contractor to ensure that all delivery or performance obligations are met or appropriate action taken by the procuring agency in the event of obligations not being met;
- (b) in the case of works contracts, interacting with any independent supervisor or the engineer within the meaning of FIDIC contracts for the purposes of clause (a);
- (c) ensuring that the contractor submits all required documentation;

- (d) ensuring that the procuring agency meets all its payment and other obligations on time and in accordance with the contract;
- (e) ensuring that there is adequate costs, quality and time control, where required;
- (f) preparing and/or processing any required contract variations or modifications in accordance with the provisions of the contract and obtaining, as appropriate, approval of the Principal Accounting Officer or head of procuring agency or officers authorized by them under regulation 13 of the Financial Management and Powers of Principal Accounting Officer Regulations, 2021 as amended from time to time before their issue;
- (g) managing any handover or acceptance procedures;
- (h) making recommendations for contract termination, where appropriate, and obtaining all required approvals and managing the termination process;
- (i) ensuring that the contract has been completely performed, prior to closing the contract file;
- (j) ensuring that all contract management records are kept and archived as required; and
- (k) ensuring that the contractor or the engineer and the procuring agency act in accordance with rules and provisions of the contract.

60. Contract performance evaluation.—(1) The Contract Manager shall cause the evaluation of each procurement contract through third-party with an estimated value exceeding five hundred million rupees—

- (a) in the case of short-term contracts, as soon as the contract has ended; and
- (b) in the case of long-term contracts, at intervals agreed with the Principal Accounting Officer or head of procuring agency or officers authorized under regulation 13 of the Financial Management and Powers of Principal Accounting Officer Regulations, 2021, and submit a performance evaluation report to Principal Accounting Officer or head of procuring agency or authorized officers.

(2) The Contract Manager must record and as soon as possible, report to the Principal Accounting Officer or head of procuring agency any incidences of non-performance by the contractor.

- (a) the Contract Manager must also at intervals not exceeding three months, provide the Principal Accounting Officer or head of procuring agency with a written report on the performance of contracts with a value exceeding five hundred million rupees for which the Contract Manager is responsible, using the template(s) provided by the Authority; and
- (b) the Principal Accounting Officer or head of procuring agency may develop a policy, guiding the format and frequency of the performance evaluation report.

61. Inspection of goods and evaluation of services.—(1) For all significant procurements above one billion Pakistani rupees or procurements involving cross border deliveries, the pre-shipment inspection of goods and evaluation of services shall be carried out by a third-party inspection committee or firm. The procuring agency shall constitute an inspection committee comprising odd number of members from outside the procuring agency from the prequalified pool maintained by the Authority or engage inspection firm for such purpose:

Provided that where a third-party inspection firm is not available, the procuring agency shall constitute an inspection committee comprising an odd number of members, with majority of members from outside the procuring agency:

Provided further that the Authority may also establish a pre-qualified pool of firms, where deemed appropriate.

(2) The contract shall state that the procuring agency has the right to inspect goods at any reasonable time or place and clearly state all requirements relating to inspection at the cost of procuring agency, and if not so stated shall be read into all contracts.

(3) The procuring agency shall ensure that all goods are duly inspected by the inspection committee or firm as the case may be, prior to their acceptance.

- (4) The inspection and verification shall ensure that—
 - (a) the correct quantity has been received or dispatched,
 - (b) the goods meet the technical standards defined in the contract;

- (c) the goods have been delivered on time, or that any delay has been noted,
- (d) all required deliverables have been submitted; and
- (e) all required manuals or documentation have been received.

(5) The inspection committee or inspection firm, as the case may be, shall be responsible for inspecting the goods and issue interim or completion certificates or goods received notes, as appropriate in accordance with the contract.

62. Closing of contract.—(1) Except for defect liability or maintenance by the supplier or contractor, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of overall delivery certificate or taking over certificate which shall be issued on EPADS within thirty days of final taking over of goods or receiving the deliverables or completion of works enabling the supplier or contractor to submit final bill and the auditors to do substantial audit.

(2) In case of defect liability or maintenance period, defect liability certificate shall be issued on EPADS within thirty days of the expiry of the said period enabling the supplier or contractor to submit the final bill. Except for unsettled claims, which shall be resolved through arbitration, the bill shall be paid within the time given in the conditions of contract, which shall not exceed sixty days to close the contract for final audit.

SUSTAINABLE PROCUREMENT

63. Socio-economic development.—The inclusiveness of small and medium enterprises, and marginalized groups may be encouraged by according preferences in line with the notified policies of the Federal Government.

64. Environmental objectives.—(1) The procuring agency may seek to procure goods, services, and works with a reduced environmental impact throughout their life cycle when compared to goods, services, and works with the same primary function that may otherwise be procured.

(2) In undertaking a procurement under sub-rule (1), a procuring agency shall comply with any Government policy setting out the requirements related to the purchase of environment friendly products and with any targets set out in the policy.

REDRESSAL OF GRIEVANCES AND SETTLEMENT OF DISPUTES

65. Redressal of grievances.—(1) The Principal Accounting Officer or head of procuring agency or any authorized officer shall constitute a committee comprising of odd number of members completely outside the procuring agency from any other procuring agency or from the pool of experts maintained by the Authority and accessible through EPADS with necessary powers and authorizations, to address the complaints of bidders or parties that may occur prior to the entry into force of the procurement contract.

(2) Any party may file a written complaint, two days prior to the proposal submission deadline, against the eligibility parameters, evaluation criteria or any other terms and conditions described in the bidding documents, if found contrary to the provisions of the procurement regulatory framework, and the same shall be addressed by the GRC.

(3) Any bidder or party feeling aggrieved by any act of the procuring agency after the submission of bid, may lodge a written complaint concerning his grievances within seven days of announcement of the technical evaluation report and five days after issuance of final evaluation report.

(4) In case, the complaint is filed against the technical or final evaluation report, the GRC may suspend the procurement proceedings till the decision.

(5) In case, the complaint is filed after the issuance of the final evaluation report, the complainant may not raise any objection on technical evaluation of the report:

Provided that the complainant may raise the objection on any part of the final evaluation report in case where single stage-single envelope bidding procedure is adopted.

(6) The GRC shall investigate and decide upon the complaint within ten days of its receipt.

(7) Any bidder or party not satisfied with the decision of the GRC or if GRC fails to decide within ten days under sub-rule 6, may file an appeal before the Appellate Committee of the Authority, comprising odd number of members including an external member within ten days of communication of decision subject to depositing the prescribed fee and in accordance with the procedure determined by the Authority. The Appellate Committee of the Authority shall

decide the appeal within 45 days from the receipt of the appeal. The Appellate Committee may suspend the process of award of contract to such period as deemed appropriate during the pendency of appeal. The decision of the Appellate Committee of the Authority shall be considered as final.

66. Alternate Dispute Resolution (ADR).—(1) After coming into force of the procurement contracts, disputes, between the parties to the contract may be settled by one or more alternate dispute resolution methods including Arbitration. Where an Alternate Dispute Resolution process other than Arbitration may not lead to an amicable settlement of dispute, Arbitration shall be resorted to.

(2) The procuring agency shall specify mechanism for the appointment of an arbitrator expressly in the contract and the competent authority who shall appoint the arbitrator.

(3) The laws of Pakistan shall apply to an arbitration unless specifically agreed to otherwise in the contract.

67. Material and non-material deviation.—(1) The procuring agency or the PPRA, as the case may be, on receipt of complaint, may declare a case to be mis-procurement if any material deviation from the provisions of PPRA Ordinance, these rules or regulations made thereunder is committed.

(2) The Procuring agency, on the recommendation of the grievance redressal committee, or the PPRA, on the recommendation of the appellate committee, may declare a case to be mis-procurement if any material deviation from the provisions of PPRA Ordinance, these rules or regulations made thereunder is observed.

(3) Upon declaration of mis-procurement, Managing Director of the Authority or the Principal Accounting Officer or the head of the procuring agency, as the case may be, may annul the procurement process or continue with modified conditions and shall refer the matter for initiation of disciplinary proceedings or to the relevant investigating agencies for initiation of necessary criminal proceedings.

(4) Material deviation, inter alia, shall include—

- (i) Collusive, coercive, corrupt, fraudulent and obstructive practices as defined in the Public Procurement Rules;
- (ii) deliberate deviation to carry out procurement processes without utilizing EPADS;

- (iii) carrying out procurement without establishment of Procurement Cell, constitution of bid evaluation committees, Third Party Validation Committee, Third Party Evaluation Committee, Grievance Redressal Committee and Selection Committee, where applicable;
- (iv) prepare tailor-made specifications, TORs and schedule of requirements to defeat competition, favouring specified bidder by disadvantaging the other bidders;
- (v) violation of the requirements concerning publication of advertisement;
- (vi) major deviation from response time prescribed for respective procurements under these Rules;
- (vii) failure to adopt the standard bidding documents and request for proposal notified by the Authority, where applicable;
- (viii) failure to formulate appropriate and unambiguous evaluation criteria which may adversely affect the principles of public procurement;
- (ix) failure to evaluate the bid as per predefined evaluation criteria;
- (x) prescribing difficult and discriminatory conditions in bidding documents;
- (xi) failure to publish the technical evaluation report (where applicable) and final evaluation report or pre-qualification report;
- (xii) failure to meet the prerequisites or conditions prescribed for invoking an exception;
- (xiii) failure to publish the documents related to award of contract;
- (xiv) failure to constitute inspection committee in case of goods;
- (xv) Failure to constitute negotiation committee as required under Consultancy Services Regulations; and
- (xvi) Any other deviation declared to be a material deviation by PPRA.

(5) All deviation not falling under sub-rule (4) of Rule 67 shall be considered as non-material deviations.

(6) In case of a non-material deviation, the matter may be placed before the Managing Director of the Authority or the Principal Accounting Officer/the Head of Procuring agency for the condonation or regularization of the non-material deviation committed during the procurement process:

Provided that in case the volume of procurement exceeds 250 million Pakistani Rupees, the procuring agency shall refer the matter to the Authority or a committee constituted by the Authority, as the case may be:

Provided further that the relevant competent authority shall record the reasons and conditions, if any, for condonation or regularization of the non-material deviation.

68. Transition.—The procurement proceedings initiated prior to the commencement of these rules, shall be processed under the Public Procurement Rules, 2004.

69. Repeal.—The Public Procurement Rules, 2004 shall stand repealed.

Schedule I

S. No	Name of product	Response time (from the advertisement) (Minimum)	Bid validity period (after issuance of evaluation report) (Minimum)	Grievance period (after issuance of evaluation report) (Minimum)	Grievance redressal period (after filing of grievance) (Minimum)	Maximum period restraining from signing of contract (after issuance of evaluation report) (Minimum)
1	Agricultural products namely fertilizer, grains and sugar	7 days	3 days	1 day	1 day	1 day
2	Petroleum products	3 days	3 days	1 day	1 day	1 day
	(a) Motor gasoline (MOGAS)					
	(b) Motor gasoline 95 RON and HOBC RON 97					
	(c) High Speed Diesel/Gasoil (HSD)					
	(d) Jet fuel/Aviation fuel					
	(e) Furnace oil (High Sulfur and low Sulfur furnace oil)					
	(f) Base oil(all groups)					
	(g) Additives chemicals and allied petrochemical products					

S. No	Name of product	Response time (from the advertisement) (Minimum)	Bid validity period (after issuance of evaluation report) (Minimum)	Grievance period (after issuance of evaluation report) (Minimum)	Grievance redressal period (after filing of grievance) (Minimum)	Maximum period restraining from signing of contract (after issuance of evaluation report) (Minimum)
	(h) High Density Polyethylene(HDPE) (Blow grade/Injection grade)					
	(i) Any other petroleum product as advised by Petroleum Division					
3	Coal(sub-bituminous)	3 days	3 days	1 day	1 day	1 day
4	LNG and LPG	24 hours	8 hours	3 hours	4 hours	3 hours

[No.5/25/2005-RA-III (PPRA).]

HUMA IQBAL,
Section Officer (RA-III).