

Public Procurement Regulatory Authority

Annual Report

2008 - 12



PPRA

Government of Pakistan
(www.ppra.org.pk)





Annual Report 2008-12

Vision Statement

**Aspiring for competition, fairness and transparency
to build confidence of contractors, suppliers and public on
the procurement system.**

Mission Statement

To regulate procurement of goods, services and works in the public sector to monitor overall performance of procuring agencies by providing level playing field to all National and International suppliers, contractors and consultants in accordance with the policies of Federal Government leading to improvement in governance, transparency, accountability and quality of public procurement.

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1. Chairman's Message



The past two decades have seen unprecedented transformation in the concepts and practices that have for a long time defined that public sector norm. In essence, this has been a paradigmatic shift from government to governance. While the change has been more pronounced in the Western developed world, many of the new public management reforms have also been quickly adopted in developing nations. Pakistan is no exception. Under the new norm, private sector organizations, non-government and not-for-profit agencies, and citizens' bodies are viewed as partners in public services delivery structures. This obviously brings the effectiveness of public procurement systems centre stage in any evaluation of public sector performance.

While financial bottom line tends to work as a powerful incentive for private sector organizations to ensure efficient resource utilization and procedural efficacy, public sector incentive structures are indirect and, therefore, need to be consciously devised and enforced to achieve intended outcomes. These incentive structures must frequently be constructed upon accountability for the judicious use of public resources; probity in decision-making; and due diligence, fairness, and transparency in procedures. Such incentive structures are all the more important in the public procurement of goods and services – which is one of the central postulates of good governance. And with the correlation between good governance and socioeconomic development becoming increasingly clear, it is now more critical than ever for governments to ensure probity, propriety, transparency, and accountability in public procurement systems.

Indeed, this was the core considerations behind the creation of the Public Procurement Regulatory Authority. The rules and procedures framed by the Authority are designed to optimize quality without compromising cost-effectiveness in government procurement as well as to eradicate malpractices and opaque decision-making. The report for the years 2008-12, which you are about to read, is a resume of

the efforts made by the Authority over the past four years towards quality assurance, open competition, and transparency in public procurement.

I would like to take this opportunity to express my appreciation of the earnest commitment exhibited by the management and staff of the Authority towards the robust implementation of procurement rules and procedures across all government sectors. Equally commendable are the arrangements made for the comprehensive training of public officials in the new regulatory framework through the National Institute of Procurement.

Abdul Khaliq

Finance Secretary, Government of Pakistan/
Chairman, Public Procurement Regulatory
Authority Board,

2. Preface



The procurement sector in Pakistan has gone through noticeable improvement in terms of awareness, transparency and efficiency during the last four years. During this period many new initiatives were taken. As a result PPRA has developed as an efficient, effective and pro-active regulatory authority. In a short span of time this benign organization has been transformed into a vibrant regulating entity in public sector. Some of these initiatives are explained in the succeeding paragraphs.

The prime function of PPRA of monitoring procurement has been strengthened by providing prompt responses to the queries through PPRA website and official correspondence. A team of IT professionals were engaged to receive and collect tenders and to upload them on its website on daily basis. The violations of Public Procurement Rules, 2004 are communicated to the concerned departments on urgent basis. These violations are also being uploaded on the PPRA web portal against the relevant tender of the procuring agency. This has made procuring agencies more careful in preparation of tender documents, Requests for Proposal and Expression of Interests. These violations are rectified by issuing timely corrigendum. Strict monitoring and prompt indication of violations resulted in significant decrease in the rate of violation from 26.35 % in year 2008-09 to 10.40% in year 2011-12.

The World Bank's Public Capacity Building Project of PPRA was successfully completed in year, 2009. The entire setup along with manpower was merged into PPRA's main strength. To continue the task of capacity building of government functionaries an in-house arrangement was made by establishing the National Institute of Procurement (NIP). This institute has been equipped with modern facilities and can accommodate 20 - 25 participants at a time. During the period under review 2334 public / private officials were trained at NIP.

To provide update about the activities of public procurement sector, a monthly gazette was published for the first time in July, 2009. The regular issuance of monthly gazette is instrumental in updating the stakeholders about the PPRA activities and performance relating to procurements.

A comprehensive feedback and impact evaluation survey regarding Authority's functions and performance was conducted without incurring any cost to the national exchequer. Valuable comments and suggestions were received from various stakeholders. The effectiveness of PPRA's role was widely appreciated by the public and private sectors and international organizations. As a first step towards financial autonomy the PPRA Board approved a nominal charge of Rs.1, 000/- for uploading of tenders on its website. This was made effective from 1st December, 2009.

The management of procuring agencies is constantly reminded to upload annual procurement plans, evaluation reports, and contracts awards of over Rs.50 million. The procuring agencies were advised to form grievance redressal committees to bring efficiency and transparency. The procuring agencies responded positively and most of them formed grievance redressal committees which are displayed on PPRA website. Similarly annual planning and evaluation reports sent by various government entities are being uploaded on our website.

To facilitate the public sector stakeholders, "Pakistan Procurement Code" was published. By the end of June, 2012, 3rd edition of this code has been printed. Every edition is updated by including addition or amendment in the rules, regulations and policy guidelines issued by the Authority. This document contains the PPRA Ordinance, 2002, PP Rules, 2004, Procurement Regulations 2008, Procurement Consultancy Services Regulations 2010, Policy Guidelines and Frequently Asked Questions for the reference and knowledge of the readers. With the help of National Language Authority the code has been translated into Urdu. The Urdu version of "Pakistan Procurement Code's is available for the readers on the PPRA's website. In addition many other related documents are available on the Authority's website which can be downloaded by the general public at any time.

The Authority continues to offer capacity building short courses for creating awareness of Public Procurement Rules, 2004. The Authority has also provided technical assistance to major procuring agencies and helped in development of procurement manuals of ten (10) major public sector organizations. To meet the modern requirements, PPRA is working for bringing appropriate amendments in the public procurement rules, regulations and procedures and development of Standard Bidding Documents.

This report is being presented for release to the Public in terms of Section (17) of PPRA Ordinance, 2002 and it provides an overview of the activities for the period 1st July, 2008 to 30th June, 2012.

(Nazrat Bashir)
Managing Director,

Dated: 30-03-2013

3. Executive Summary

The Public Procurement Rules aim to regulate public procurement by ensuring fair and equitable treatment for bidders. It promotes competition, enhances efficiency, ensures integrity in the procurement process and enhances confidence of the public in the procurement process. It provides a strong framework for transparency and accountability.

During the intervening period following amendments in the PPR, 2004 were notified vide SRO. (1)/2008 dated 23rd September, 2008:

I) Amendment in Rule (10) – Specifications

In exercise of the powers conferred by Section (26) of the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002), the Federal Government made following addition of a proviso after the rule (10) of the Public Procurement Rules, 2004 namely: -

“Provided that this rule shall not apply to procurement made by public sector commercial concerns on the demand of private sector clients specifying, in writing, a particular brand, model or classification of equipment, machinery or other objects”, and

II) Amendment in Rule (42) (c) (viii) - Direct Contracting

In the rule (42) (c) (vii), the words “motor cars” were substituted with the words “motor vehicle”.

To bring more transparency and consistency in the regulatory affairs, the ongoing exercise of updating and evolving new regulations under the PPR, 2004 continued during this period. The regulations are made under Section of PPRA Ordinance, 2002. Drafting Regulations is a subordinate legislation and are made in the light of PPRA Ordinance, 2002, Public Procurement Rules, 2004. PPRA had issued the following four regulations: -

- i. Public Procurement Regulations, 2008 which was notified vide S.R.O. No.805 (I)/2008 dated 11th July, 2008.**

- ii. Public Procurement Regulations, 2009 was published vide S.R.O No.1171(I)/2009 dated 9th July, 2009.
- iii. Procurement of Consultancy Services Regulation, 2010 was notified vide S.R.O No.1077(I)/2010 dated 26th November, 2010.
- iv. Public Procurement Regulations, 2011 was notified by the Cabinet Division vide S.R.O. No.719(I)/2011 dated 18th July, 2011.

PPRA monitor the uploaded tenders in the light of PPR, 2004 on daily basis. The violations, if any of these rules are indicated to the procuring agencies. The violations of PPR, 2004 noted in the tenders of the procuring agency are also mentioned against the relevant tender of the concerned procuring agency on PPRA's website. It is heartening to note that with the passage of time the violations committed by procuring agencies had reduced from 26.35% in year 2008-2009 to 10.40 % in year, 2011-12.

To create awareness among the stakeholders about procurement process and to inform about the activities of the PPRA it was decided to publish monthly gazette. The Authority issued the first edition of the gazette in July, 2009. It contained information about performance in respect of monitoring, tender advertisement on website, capacity building program and grievance redressal. These gazettes were shared with more than 250 public sector procuring agencies. More than 30 editions of PPRA gazette were published during the period under review.

In order to facilitate public sector organizations to have the procurement law, rules and regulations in a single document for ready reference, the Pakistan Procurement Code was printed in January, 2010. PPRA has also published three editions of Pakistan Procurement Code by the end of 30th June, 2012.

Public sector capacity building project (PSCBP) of PPRA concluded on 30th December, 2009. It has tremendously helped in building capacity of procurement professionals of public sector procuring agencies. The International donor agencies have highlighted, in their various reports the need to institutionalize the training function of PPRA. During the reported period 1674 officials of different procuring agencies were trained on Public Procurement Rules.

One of the main functions of PPRA is to monitor public procurements to ensure its compliance with PPR, 2004. For this purpose the Authority has established a web portal where tenders issued by all public sector procuring agencies are uploaded for advertisement and wider circulation. Additional feature of PPRA website is the development of web page for the suppliers. A total of 1,314 suppliers were registered online during the period under review.

During the period from 1st July, 2008-09 to 30th June, 2012 a total of 81,301 tenders of Public Sector Organizations were uploaded/ monitored, wherein 13,847 deviations from the PPR, 2004 were pointed out to the heads of concerned procuring agencies for taking remedial measures. The constant monitoring has led to decrease in the rate of deviations from 26.35% in 2008-09 to 10.40% in 2011-12.

The complaints received from contractors and suppliers were forwarded to the procuring agencies for disposal in the light of procedure provided in Rule (48) of PPR, 2004. An analysis for the period FY 2008-09, 2009-10, 2010-11 and 2011-12 is presented below. The data reveals that during FY 2011-12, a total number of 329 complaints were lodged with PPRA which were taken up with the concerned procuring agencies. During FY, 2010-11, 311 complaints were received in PPRA. In this way about 6% more complaints were lodged in FY, 2011-12 showing the enhanced level of confidence of bidders in the Authority.

To facilitate the stakeholders, online query system was put in place. It had bridged the gap between procuring agencies and suppliers. In this system users can get rapid online reply of their queries at PPRA website. Reply from PPRA can also be viewed by all users of PPRA website. During the Financial Years 2008 to 2012 a total of **3107** queries were responded.

THE AUTHORITY

4. The Authority

i) Composition

In terms of Section (6) of Public Procurement Regulatory Authority (PPRA) Ordinance, 2002 (No.XXII of 2002) **[Annex-I]**, the Management of PPRA is vested in its Board, which is the apex decision making body for overall direction and administration of the Authority. The Board consists of the following members:-

(1) Secretary, Finance Division	Chairman
(2) Secretary, Ministry of Industries and Production	Member
(3) Secretary, Defence Production Division	Member
(4) Secretary, Ministry of Water and Power	Member
(5) Secretary, Ministry of Housing and works	Member
(6) Secretary, Ministry of Communications	Member
(7) Three Members from private sector	Members
(8) Managing Director, PPRA	Member/Secretary

Three members from private sector are nominated by the Federal Government. The private sector members are appointed for a term of three years and shall be entitled to such terms and conditions as the Federal Government may determine. The tenure of official members is co-terminus with their public sector offices.

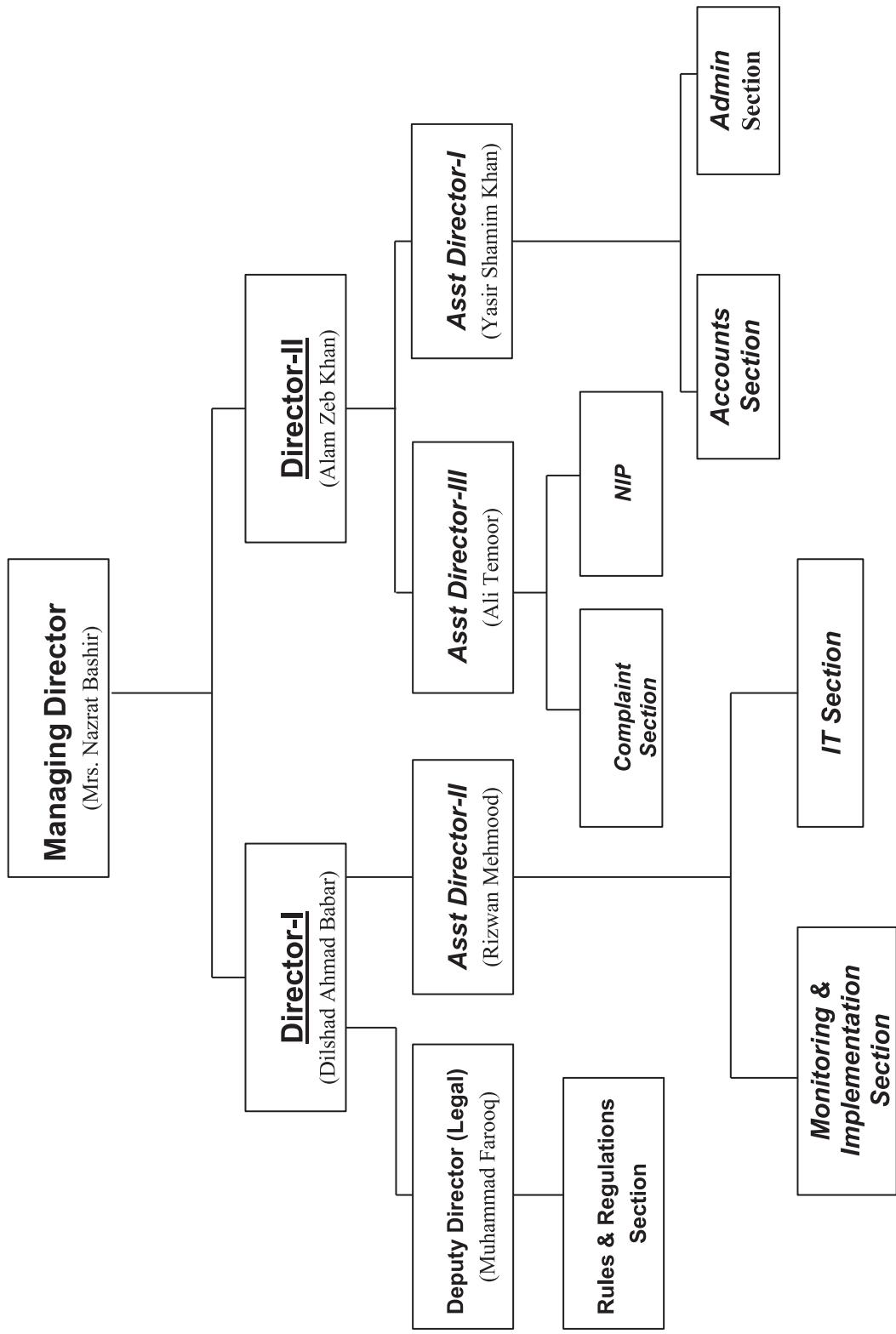
ii) Powers and Functions

Public Procurement Regulatory Authority (PPRA) was established under PPRA Ordinance, 2002 to regulate the Public Procurement Sector. The Authority is a body corporate mandated to improve governance, management, transparency, accountability and quality of procurement of goods, services and works in the public sector. In order to carry out its defined mandate, the Authority is entrusted with the following functions, among others:-

1. Subject to other provisions of this Ordinance, the authority may take such measures and exercise such powers as may be necessary for improving governance, management, transparency, accountability and quality of public procurement of goods, services and works in the public sector.

2. Without prejudice to the generality of the powers conferred by sub section (1), the Authority may
 - a monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to, procurement;
 - b monitor the implementation of and evaluate laws, rules, regulations, policies and procedures in respect of, or relating to, inspection or quality of goods, services and works and recommend reformulation thereof or revisions therein as it deems necessary;
 - c recommend to the Federal Government revisions in or formulation of new laws, rules and policies in respect of or related to public procurement;
 - d make regulations and lay down codes of ethics and procedures for public procurement, inspection or quality of goods, services and works;
 - e monitor public procurement practices and make recommendations to improve governance, transparency, accountability and quality of public procurement;
 - f monitor overall performance of procuring agencies and make recommendations for improvements in their institutional set up;
 - g provide and coordinate assistance to procuring agencies for developing and improving their institutional framework and public procurement activities;
 - h submit reports to the Government in respect of public procurement activities of procuring agencies;
 - i call any functionary of procuring agencies to provide assistance in its functions and call for any information from such agencies in pursuance of its objectives and functions; and
 - j perform any other function assigned to it by the Federal Government or that is incidental or consequential to any of the aforesaid functions.

iii) Organizational Structure



PROCUREMENT SECTOR OUTLOOK

5. Procurement Sector Outlook

Procurement by the government sector has always been substantial in Pakistan. More recently, however in the recent years it has invited significant attention of Public, legal and media circles. This is largely due to increased awareness amongst the stake holders for greater transparency in the procurement process. There has been increasing emphasis on more Regulated structure for public procurement. During the period under review some major cases of mis-procurement in the Public Sector were pointed out. These mis-procurement cases were highlighted by print media and several writ petitions were filed in the various Courts of Law. In most of the reported cases violations of Public Procurement Rules, 2004 (**annex-1**) were found which resulted in the quashment of the already completed procurement process. There is no official statistics which indicates the exact number of contracts cancelled.

With the global economic downturn, the public procurement has also decreased globally. However, in Pakistan the public procurement continues to increase as is evident from the number of tenders floated every year. This is despite the fact that Public Sector Development funds have continuously been slashed since last couple of years. As a result of limited resources available, there is a need for greater oversight to ensure the effective use of public money. In addition, the instances of corruption have also increased the requirement of strict adherence to the public procurement Rules.

The Public Procurement Rules aim to regulate public procurement by ensuring fair and equitable treatment for bidders. It promotes competition, enhances efficiency, ensures integrity in the procurement process and enhances confidence of the public in the procurement process. It provides a strong framework for transparency and accountability.

The future outlook of public procurement looks optimistic as more investment is expected in infrastructure development including the energy sector, health and other industries. The role of PPRA would increase as compared to previous years. It will continue to monitor the tenders, timely indicate violations to ensure their rectification. It will have to proactively involve itself to redress the complaints. Building capacity of the institutions and training of officials involved in procurement process will continue to be a challenging task.

ROLE OF PPRA AS REGULATOR

6. Role of PPRA as Regulator

PPRA being the regulator of the sector introduced new Rules, Regulations, Policies, Procedures and issued guidelines to procuring agencies for maintaining healthy, fair and transparent competition. The Authority made efforts that equal opportunities are provided to all the local and international suppliers for active participation in public procurement process of goods, works and services for the benefit of the procuring agencies. This promoted competition among the local as well as the international suppliers. In other words, the principle of providing "equal opportunities for all" and facilitating policies of the Authority attracted and encouraged investment in the country.

Efforts were made to ensure that no such rule, regulation, procedure or practice could flourish in the procurement sector which would limit the open and transparent competition. Role of PPRA as regulator revolves around openness, transparency, value for money, accountability equal opportunities for all and healthy competition without any collusive or corrupt practices. Role and functions of the Authority are enlisted in section 5 of PPRA Ordinance, 2002. The course of action followed by the Authority while regulating the public sector includes:

- (i) Balancing of interest of all stakeholders in a transparent manner;
- (ii) Providing level playing field to all competitors;
- (iii) Establishing sustainable regulatory arrangements which carry credibility with investors and perceived as legitimate and fair in the eyes of the public, and deliver greater efficiency for the economy as a whole;

The departments and agencies continue to involve PPRA in their line clearance functions in award of contracts including scrutinizing and vetting of bidding documents, terms and conditions, draft contract and evaluation criteria. However this function is in conflict with PPRA's raison de.tre, policy. This is neither provided in law, rules nor is the policy laid down by the Board.

PPRA provides advice to the procuring agencies in accordance with the Rules and Regulations. It constantly monitored the implementation of rules and deviations were communicated to the concerned quarters for timely rectification. It

addressed the grievances of complainants including bidders, suppliers, contractors and general public. In addition, PPRA conducted training courses and practical sessions for capacity building of public sector executives and officials.

The Authority maintained continuous liaison with international donor agencies operating in Pakistan like World Bank, USAID and ADB. All these agencies supported the efforts of PPRA and extended technical cooperation for bringing more transparency in the public procurement process. The efficient and effective role played by the Transparency International of Pakistan (TIP) for uplift of transparency in this sector cannot be ignored.

Public-private partnership (3Ps) involves partnership of government and one or more private sector companies. It involves a contract between a public sector authority and a private party. It is a long-term contractual arrangement between the public sector and a private sector individual or entity for provision of some public services or infrastructure development with clear allocation of risks between the two parties. The Authority clarified that the PPRA Ordinance 2002 and Public Procurement Rules, 2004 will be applicable to PPP projects in which the Federal Government and the private party have joint equity or ownership.

PPRA is a benign, advisory, instructive and consultative regulatory body. PPRA Ordinance, 2002 does not contain any section which allows PPRA an intrusive role in the public procurement process. The declaration of "Mis-procurement" is the only castigation contained in the Ordinance. An independent procedure before an independent forum for the hearing of any mis-procurement complaints are so far lacking. However, the bidders are at liberty to seek recourse to the courts of law for judicial review of any governmental decision including any procurement decision. In addition Efficiency & Discipline Rules and Anti-Corruption laws apply to government officials that come into play leading to punishments in the form of transfer, suspension and termination from service depending upon the nature of offence determined by the process of inquiry. Another forum for the redressing of such grievances is the office of Federal Ombudsman. The audit findings and the process of inquiry and findings by the Standing Committees of the National Assembly and the Senate and the process of Audit submitted before the Public Accounts Committee is yet another medium for highlighting mis-procurement.

mis-procurement. Section (23) of the Ordinance provides indemnity to PPRA in the courts of law.

Agencies responsible for anti-corruption should be seen doing their job without equipping PPRA with teeth and in the process jeopardize the concept of regulatory mechanism which has started to take root.

PPRA is taking all possible measures for ensuring transparency. The Authority has made sincere efforts to perform within its mandate as an efficient regulator and facilitator for all public sector entities and the market suppliers. As a result of continuous efforts of PPRA, a positive trend of fair and transparent public procurement practices and procedures have started to take root.

ENFORCEMENT OF REGULATORY FRAMEWORK

7. Enforcement of Regulatory Framework

– Regulatory Instruments

i. Public Procurement Rules, 2004

Public Procurement Rules, 2004 were notified by the Federal Government vide notification No.SRO.432 (I)/2004 dated 9th June, 2004[annex-II]. These rules were amended from time to time in order to facilitate the public procuring agencies without compromising on transparency, economy and efficiency of the procurement procedures. The Federal Cabinet in its meeting held on 24th March, 2010 constituted a committee, headed by the Minister for Law, Justice and Parliamentary Affairs and including Minister for Industries and Production, Secretary Finance Division and Secretary Cabinet Division as members. The committee stressed upon the need that Public Procurement Rules should be made more flexible and micro management of these rules is the need of hour. In most cases, Public Procurement Rules were not being followed in letter and spirit which creates embarrassment from the government. Moreover, the implementation mechanism of these rules should be made much more flexible keeping in view the circumstances and special requirements of procuring agencies. The committee proposed amendments in PPRA Ordinance, 2002 and Public Procurement Rules, 2004. The amendments in PPRA Ordinance, 2002 are under process in the shape of a bill i.e. PPRA (Amendment) Bill, 2011. The committee also recommended the amendments in rules (19), (22), (24), (26), (35) & (39) of Public Procurement Rules, 2004. These amendments were sent to Cabinet Division for soliciting vetting of Law Division. Law Division thereon advised to amend the Public Procurement Rules, 2004 after the passage of PPRA (Amendment) Bill, 2011 being subordinate legislation. The amendments in the Public Procurement Rules, 2004 as suggested by the committee along with many others will be processed accordingly in the due course of time. The Authority is in the process of examining Rules to bring in further improvements and remove deficiencies.

During the intervening period following amendments in the PPR, 2004 were notified vide SRO. (1)/2008 dated 23rd September, 2008 **[Annex- III]**:-

III) Amendment in Rule (10) – Specifications

In exercise of the powers conferred by Section (26) of the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002), the Federal Government made following addition of a proviso after the rule (10) of the Public Procurement Rules, 2004 namely: -

“Provided that this rule shall not apply to procurement made by public sector commercial concerns on the demand of private sector clients specifying, in writing, a particular brand, model or classification of equipment, machinery or other objects”, and

IV) Amendment in Rule (42) (c) (viii) - Direct Contracting

In the rule (42) (c) (vii), the words “motor cars” were substituted with the words “motor vehicle”.

ii Public Procurement Regulations

To bring more transparency and consistency in the regulatory affairs, the ongoing exercise of updating and evolving new regulations under the PPR, 2004 continued during this period of this Report. The regulations are made under Section (28) of PPRA Ordinance, 2002. Drafting Regulations is a subordinate legislation and are made in the light of PPRA Ordinance, 2002, Public Procurement Rules, 2004. PPRA had issued the following four regulations: -

- i.** Public Procurement Regulations, 2008 which was notified vide S.R.O. No.805 (I)/2008 dated 11th July, 2008 **[Annex- IV]**
- ii.** Public Procurement Regulations, 2009 was published vide S.R.O No.1171/(I)/2009 dated 9th July, 2009 **[Annex-V]**.
- iii.** Procurement of Consultancy Services Regulation, 2010 was notified vide S.R.O No.1077(I)/2010 dated 26th November, 2010 **[Annex-VI]**.
- iv.** Public Procurement Regulations, 2011 was notified by the Cabinet Division vide S.R.O. No.719(I)/2011 dated 18th July, 2011 **[Annex-VII]**.

iii Monitoring of Tenders

Under Rule (12) of PPR, 2004 it is mandatory for procuring agencies to advertise the procurements over one hundred thousand rupees on PPRA website. The agencies can directly upload the tenders as well as can send through email, fax or letters to PPRA. The remaining tenders are obtained by IT Section of PPRA itself from newspapers to upload on Authority's website.

PPRA monitor these uploaded tenders in the light of PPR, 2004 on daily basis. The violations, if any of these rules are indicated to the procuring agencies.. The violations of PPR, 2004 noted in the tenders of the procuring agency are also mentioned against the relevant tender of the concerned procuring agency on PPRA's website. It is heartening to note that with the passage of time the violations committed by procuring agencies had reduced from 26.35% in year 2008-2009 to 10.40 % in year, 2011-12.

iv Monthly Gazette

To create awareness among the stakeholders about procurement process and to inform about the activities of the PPRA it was decided to publish monthly gazette. The Authority issued the first edition of the gazette in July, 2009. It contained information about performance in respect of monitoring, tender advertisement on website, capacity building program and grievance redressal. These gazettes were shared with more than 250 public sector procuring agencies.

More than 30 editions of PPRA gazette were published during the period under review. This had a positive impact on the performance of the Authority as well on the stakeholders. PPRA's will continue its endeavor to introduce transparent public procurement that will go a long way in promoting transparency and accountability which are main pillars of development and for democratic dispensation.

v Pakistan Procurement Code

In order to facilitate public sector organizations to have the procurement law, rules and regulations in a single document for ready reference, the Pakistan

Procurement Code was printed in January, 2010. PPRA has already published three editions of Pakistan Procurement Code by the end of 30th June, 2012. The demand for printed document demonstrates its usefulness. The soft copy is also available on our website www.ppra.org.pk. We had included procurement of consultancy services regulations as part of the 3rd edition of Code along with policy directions. Keen interest of the private sector including nongovernmental Organizations and civil society in the Procurement Rules and Capacity Building was noted as strong drivers of ensuing change.

vi Capacity Building

Public sector capacity building project (PSCBP) of PPRA concluded on 30th December, 2009. It has tremendously helped in building capacity of procurement professionals of public sector procuring agencies. The International donor agencies have highlighted, in their various reports the need to institutionalize the training function of PPRA. After the expiry of PSCBP the training activity of PPRA was institutionalized in the form of National Institute of Procurement (NIP) in July, 2009. The focus of training programs was dissemination of PPR, 2004 and procedures pertaining to modern business of procurement. These training programs lacked objectivity as they merely focused on dissemination of rules rather conducting Training Need Analysis (TNA) of procuring agencies on case to case basis. There was no scale to measure the impact of post training in the jobs of procurement professionals who got trained from PPRA. Details of participants along with the training program successfully conducted by PPRA from year, 2008–09 to 2011-12 are given below; -

Sr.	F/Y	Training Programs (T)	No. of participant per training program (P)	No of participants trained (TP)
1.	2008-09	48	19	501
2.	2009-10	36	20	528
3.	2010-11	20	19	325
4.	2011-12	20	20	320
Total				1674



Managing Director (Ms. Nazrat Bashir) is addressing the participants of a capacity building program held from 2nd & 3rd May, 2012.



Mr. Humayun Saifullah, MNA is addressing the participants of 107 capacity building training program in PPRA on 3rd February, 2010.



A participant is receiving certificate after completion of training course.



Inauguration moment of NIP.



Respected Dr. Hai Baloch alongwith Mr. Sarfraz Ahmad Syed and Mr. Hafeez-ur-Rehman ex-M.D's (PPRA) giving away certificates.

REGULATORY ACTIVITIES

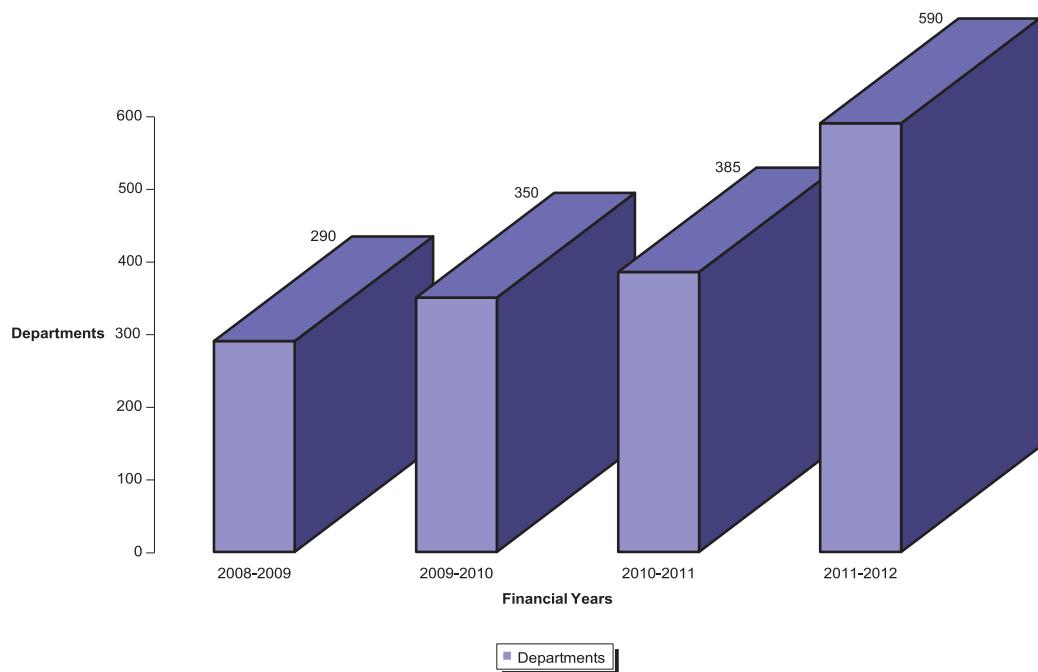
8. Regulatory Activities

i). Tenders Uploading

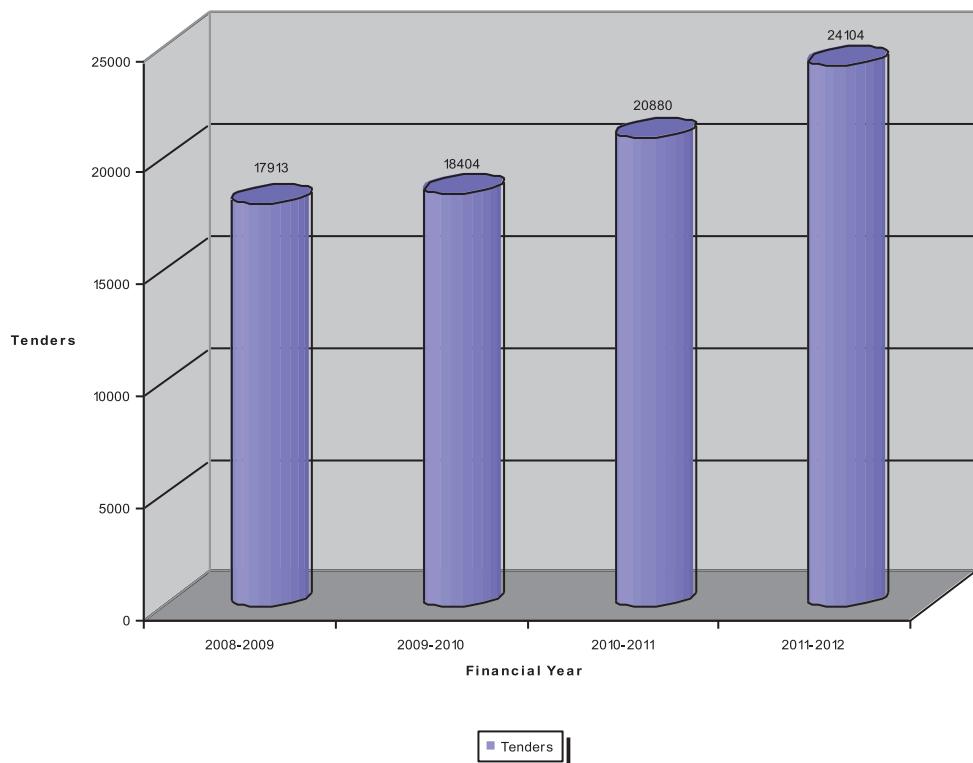
One of the main functions of PPRA is to monitor public procurements to ensure its compliance with PPR, 2004. For this purpose the Authority has established a web portal where tenders issued by all public sector procuring agencies are uploaded for advertisement and wider circulation. Additional feature of PPRA website is the development of web page for the suppliers. A total of 1,314 suppliers were registered online during the period under review. PPRA is monitoring all the advertisements relating to procurements, on real time basis. Violations of these rules are identified and are got rectified from the procuring agencies. During the period from 1st July, 2008-09 to 30th June, 2012 a total of 81,301 tenders of Public Sector Organizations were uploaded/ monitored, wherein 13,847 deviations from the PPR, 2004 were pointed out to the heads of concerned procuring agencies for taking remedial measures. The constant monitoring has led to decrease in the rate of deviations from 26.35% in 2008-09 to 10.40% in 2011-12. Year-wise details is as follows:

Financial Year	Organizations	Tender Uploaded	Average Daily Tenders	Deviations Pointed Out/Letter Issued	% Deviations
01-07-2008 to 30-06-2009	290	17913	49	4720	26.35
01-07-2009 to 30-06-2010	350	18404	50	3883	21.10
01-07-2010 to 30-06-2011	385	20880	57	2738	13.11
01-07-2011 to 30-06-2012	590	24104	66	2506	10.40
Total	1615	81301	222	13847	

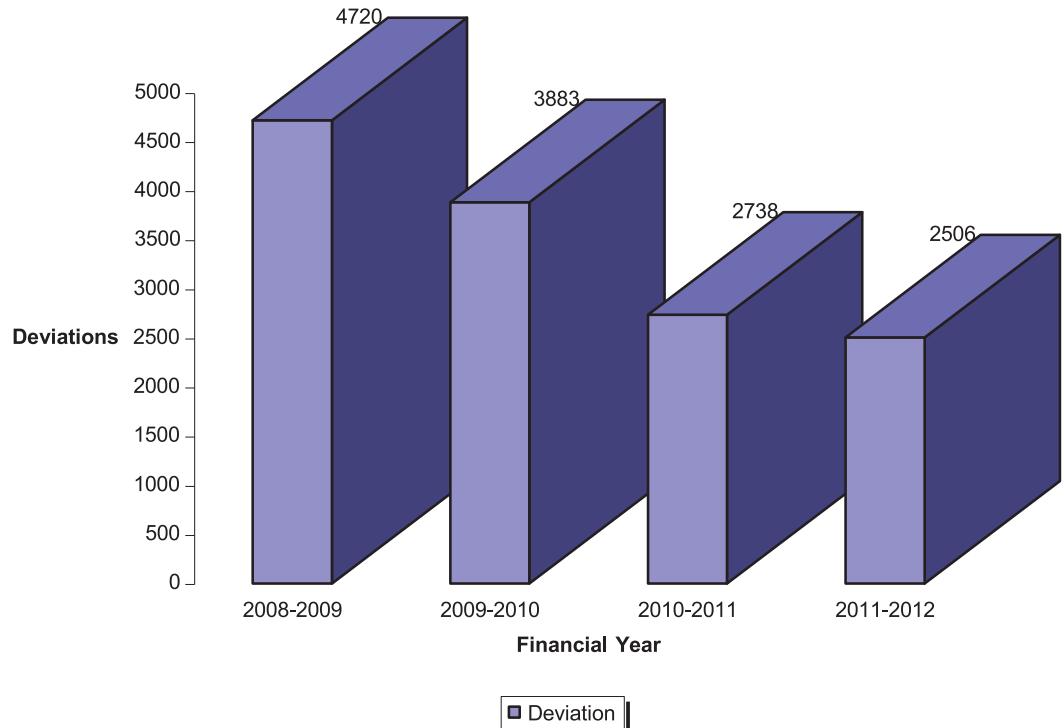
Year Wise Number of Departments Monitored By the PPRA



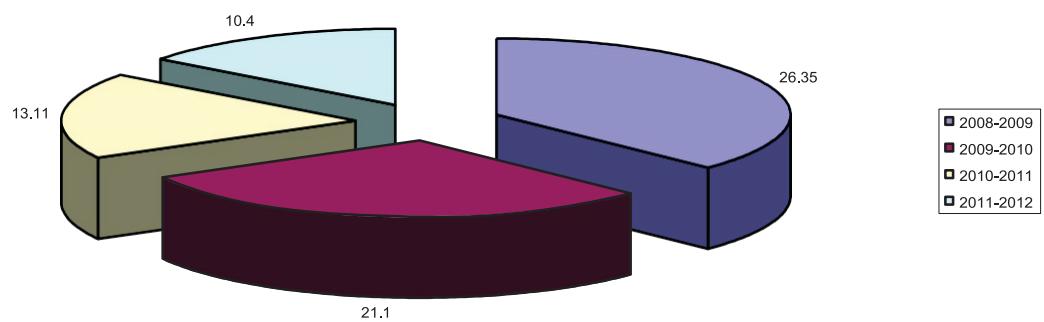
Year Wise Tenders Monitored and Uploaded on PPRA Website



Year Wise Deviation Indicated



Percentage of Deviation



ii). **Rules Interpretation**

Technical assistance and guidance to the public sector procuring agencies was provided for application and compliance of the PP Rules, 2004. Procuring agencies frequently approached PPRA through written correspondence, online query system, telephonic contacts and fax for seeking clarifications regarding their procurement process to ensure compliance with the rules and regulations. An independent legal wing was setup for this specific purpose. Besides, the correspondence large number of public sector officers and officials involved in the procurement process also visited the Authority for personal guidance and interpretation of the rules. Most of the clarifications which were sought during the period under review pertained to rules (3), (5), (10), (14), (24), (25), (26), (33), (38), (40), (42) & (48). In addition, specific problems faced during procurement process were also discussed.

Some of the clarifications which are not covered in the rules related to following:

- selection of a successful bidder between two equally technically and financially qualified bidders,
- duration for prequalification of suppliers,
- price matching mechanism,
- expiry of bid validity and delay in award of contract due to prolonged proceedings of the court of law,
- application of S.R.O.827 (I)/2002 issued by M/o Commerce for preferential treatment to local manufacturers of engineering goods in the bidding process,
- award of contract to 2nd highest ranked bidder after inability shown by highest evaluated bidder in signing the contract
- regularization of procedural deviations from PPR, 2004, and
- start of procurement process in one calendar year and award of contract in next year.

Numerous miscellaneous writ petitions were filed against various procuring agencies by the bidders and suppliers in the courts of law where PPRA was also made respondent. Para wise comments were offered to facilitate the Honorable Court for arriving at a correct decision.

On average, 125 written communications were received per month and responded to in the light of PPR, 2004 and the Regulations. The trend of soliciting clarification from PPRA had witnessed significant rise during the last two financial years i.e. year 2010-11 & 2011-12. The major departments which approached the Authority for seeking clarification about their procurement process included CDA, WAPDA, OGDCL, Pakistan Railways, Pak PWD, PIA, PSO, Pakistan Steel, SSGCL and SNGPL .

The procuring agencies frequently sought clarification regarding not allowing other bidders to match with the lowest bidder's The issue was examined thread bare in consultation with legal experts as well as market competitors. As a result of consultations of with stakeholders and keeping in view the best international practices, it was reiterated that price matching is a form of negotiations which is categorically prohibited under Rule (40) of the PPR, 2004 as transparency could not be ensured.

Due to market requirements and growing concerns about the transparency in the sector, it was felt that some vital changes in the public procurement regime were needed. As a result, the Federal Cabinet in its meeting held on 24th March, 2010 constituted a high level committee under the Chairmanship of the then Federal Minister for Law, Justice and Parliamentary Affairs and comprising of Secretaries of the Cabinet and Finance. This committee suggested some vital changes and new additions in the existing law and rules on procurement. One of the most substantial amendment proposed in the PPRA Ordinance, 2002 is to include a penal provision to bring the concerned individual(s) responsible for misprocurement to justice with the assistance of Auditor General of Pakistan, National Accountability Bureau (NAB) and Federal Investigation Agency (FIA). These amendments are under active consideration for placing them before the Council of Common Interest.

Many Public Sector organizations approached the Authority for grant of exemption on procurement of an object or class of objects from applicability of PPRA Ordinance, 2002 and Public Procurement Rules, 2004 under Section (21) of PPRA Ordinance, 2002. All such requests were examined and disposed of on merits keeping in view the national interest as per laid down procedure outlined in the PPRA Ordinance, 2002.

With the growing awareness among the bidders, contractors and general public about Public Procurement Rules, 2004 and Regulations, several complaints against the procuring agencies were received in this Authority. Most of the complaints were lodged by the bidders or contractors who had either participated in the bidding process or remained connected with the process. It can be inferred from the content of complaints that most violations of Public Procurement Rules, 2004 were committed during the Public Development Sector projects rather than the non-development side procurements. It is felt that proper audit of accounts and procedures followed in the development project procurements is required to be carried out by the concerned authorities.

To keep pace with the rapid and advanced technological changes, market requirements and to provide a level playing field to all local and international investors, the Authority issued instructions and provided timely guidelines on the subjects i.e. the principles of procurement, requirement of annual planning, announcement of evaluation report, uploading of tenders on PPRA's website and to ensure access and transparency. This effort gave positive results and deviations from PPR, 2004 went down drastically. However, still much is to be done in this regard.

Up to 30th June, 2012 a total of 590 agencies were uploading tender notices on PPRA's website and observing the Public Procurement Rules, 2004 in their procurements. Details of all such public procuring agencies are at **[Annex- VIII]**. List of Suppliers / Contractors declared as blacklisted by the procuring agencies under rule (19) of Public Procurement Rules, 2004 is at **[Annex- IX]**.

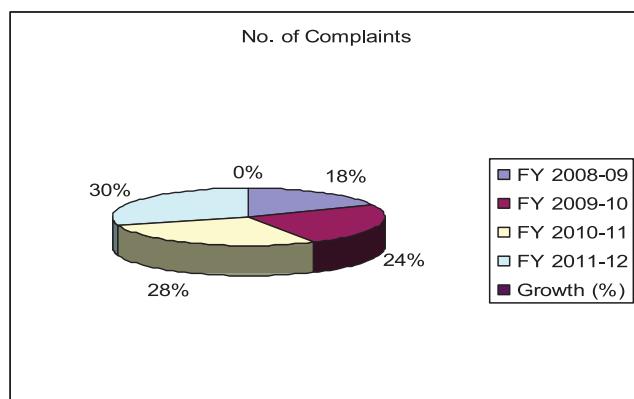
iii) **Complaint Handling Mechanism**

The complaints received from contractors and suppliers were forwarded to the procuring agencies for disposal in the light of procedure provided in Rule (48) of PPR, 2004. An analysis for the period FY 2008-09, 2009-10, 2010-11 and 2011-12 is presented below. The data reveals that during FY 2011-12, a total number of 329 complaints were lodged with PPRA which were taken up with the concerned procuring agencies. During FY, 2010-11, 311 complaints were received in PPRA. In this way about 6% more complaints were lodged in FY, 2011-12 showing the enhanced level of confidence of bidders in the Authority. Some of the complaints

lodged by aggrieved bidders and others against public procuring agencies are available at **Annex-X**. Year-wise break-up of complaints is as under:-

Complaints Lodged with PPRA

Period	No. of Complaints
FY 2008-09	200
FY 2009-10	268
FY 2010-11	311
FY 2011-12	329
Growth (%)	6%



iv) Procurement Manuals of Procuring Agencies

PPRA Board in its first meeting held on 13th July, 2002 inter-alia decided that procurement procedures and practices of some selected public sector procuring agencies may be reviewed and recommendations for suitable modifications to ensure transparency.

The matter for disposal of completed studies was placed before the Board for consideration in its 6th meeting held on 12th February, 2008 (Agenda Item No.26). The Board directed that the case of all completed studies should be put up in the shape of an executive summary / briefs either through circulation or at a Board meeting. Accordingly eight completed studies i.e. (1) Pakistan Steel Mills (2) Pakistan International Airlines (3) Telephone Industries of Pakistan (4) Capital Development Authority (5) Civil Aviation Authority (6) Pakistan Public Works Department (7) Pakistan Railways (8) National Telecommunication Corporation were circulated among Board Members. The studies were approved by the Board and forwarded to the concerned public sector procuring agencies for implementation.

Following two out of remaining six studies were completed by the Consultants and approved by the PPRA Board: -

S#	STUDIES COMPLETED
1.	Pakistan National Shipping Corporation (PNSC)
2.	Utility Stores Corporation of Pakistan (Pvt.) Limited. (USC).

a. Review and Re-Engineering of Procurement Procedures and Practices of Pakistan National Shipping Corporation

The “Review and Re-Engineering of Pakistan National Shipping Corporation’s Procurement Procedures and Practices in accordance with the Public Procurement Rules, 2004; was initiated in 2005 by the Public Procurement Regulatory Authority. Thereafter consultants were engaged to carry out similar studies for some of the large public sector entities, including Pakistan National Shipping Corporation. While most of the other studies pertaining to Pakistan International Airlines, TIP, and Pakistan Steel Mills were completed, the PNSC study could not be completed.

Subsequently, Sustainable Development Consultants (Pvt.) Limited, were engaged. An agreement was signed between the PPRA and the Consultant (M/s Sustainable Development Consultants (Pvt.) Limited) on the 28th October, 2009. The initial scope of assignment was to” a) collect the existing procurement procedures and practices of PNSC, b) identify all bottlenecks and impediments therein with a view to formulate efficient, transparent and cost effective procurement procedures in consonance with the Public Procurement Rules, 2004, c) develop detailed proposals for enhanced, transparent, efficient and cost effective procurement procedures, d) rule by rule scrutiny and analysis of the existing procurement procedures, e) detailed recommendations/ proposals on each deficiency, deviation or redundancy have been made with a view to formulate enhanced, transparent, efficient and cost effective procurement procedures in consonance with the Public Procurement Rules, 2004 and set of final

recommendations / procedures leading to a detailed Re-Engineered Procurement Manual.

b. Procurement Procedure of Utility Stores Corporation

Anjum Asim Shahid Rahman, Chartered Accountants (AASR) under an agreement with Public Procurement Regulatory Authority (PPRA) were appointed to identify all bottlenecks and impediments in the procurement system of Utility Stores Corporation (USC) and give professional opinion to how to overcome/mitigate these bottlenecks.

The object of the assignment was to:

- Understanding the requirements of USC.
- Understanding of Existing system and identification of the Weaknesses in the existing system of USC.
- Re-designing of Existing Rules/Procedures.
- Preparation of Code of Ethics for Procurement and Contracting Staff / Suppliers / Contractors.
- Suggesting Measures for Capacity Building of the staff of USC.
- Developing Procurement Manual
- Procurement Procedures of Utility Stores Corporation

The Manual commence with introduction and objectives of procurement function in an entity and subsequent chapters deal with specific procurement topics from the initial analysis of procurement system, through the procurement planning stages and into project implementation and contract administration. Where necessary, topics are cross-referenced to other relevant sections of the Manual to enable a clearer understanding of the topics in issue. Three categories structured with respect to difference in the scope of work are explained in the Manual. These are

- i. Procurement of Goods,
- ii. Procurement of Service and
- iii. Procurement of construction services / civil works

The manual also includes procedures noncompetitive procurement in emergency / extreme urgency cases and sample standard bidding documents for different types of Procurements.

- **Potential for Indigenous Development.**

USC being the largest Government Sector utility services provider to common people is consistently striving for better services to the masses as well as promoting the local industry by consolidating the entire supply at the door step of end user through a large network of branches. In this way USC in real terms promoting healthy competition among various local suppliers therefore encouraging local industry to produce quality and improved products. In light of the Exhibit A paragraph 5, we recommend USC to continue with its indigenous model of procurement of goods and services. As a future strategy USC should keep on promoting this mode even in the light of new entrants from imported product segment. While, we have scrutinized the available list of commodities based on which we can conclude that these are indigenously developed items of commodities and as such there is no room for further strategy in this regard i.e., subject matter is already covered by existing practices. The Potential for indigenously development might be explored at USC in terms of addition of the following items:

1. Poultry and its products
2. Meet (Mutton and Beef)
3. Vegetables
4. Fruits
5. Flowers
6. Dates
7. Cheese

For this list of items to be added in the current list of goods being supplied, USC needs to address the following important steps:

- a) preparing appropriate specification by a specialist / expert
- b) development of grading arrangement for food items
- c) develop a supply chain with food consumables vendors with an overall objective to encourage suppliers to provide standardize & quality products along with giving proper time and equal opportunity for nationwide suppliers.

Summary of Findings:

Following are the findings found during review procurement procedures of USC:

- a USC does not have well documented procurement procedures.
- b Existence of Managing Director (MD) in the committee for evaluating the bids for civil works and also being the final approving authority is not appropriate.

- c Integrity pact is not signed with vendors, contactors and consultants.
- d There are no controls relating to limitation on splitting or regrouping of proposed procurement as required by Rule-9. USC is also not advertising its annual requirements on PPRA's website and / or its own website negating Rule-12.
- e USC is not using the word “or equivalent” for branded items.
- f USC does not have defined procedures for blacklisting of suppliers and contractors contrary to the conditions of Rule-19.
- g USC is not adhering to the requirements of Rule-12 for advertisement on its own and / or PPRA's website; it is not but on regular basis.
- h USC is not adhering to the requirements of Rule-13 with reference to minimum response time of 15 days while floating tenders.
- i USC is using “Open Competitive Bidding” method for following only first three categories of procurement:
 - i. Procurement of fixed assets.
 - ii. Procurement of Civil Works
 - iii. Hiring of services.
 - iv. Procurement of Commodities.
- j USC is not disclosing evaluation criteria in its bidding documents contrary to the requirements of Rule-23(2)(j), 29 and 30.
- k USC signs long term contracts with the suppliers of branded items and gives repeat orders which is against the requirements of Rule-42(c)(iv).
- l USC does not adhere to the requirements of Rule 43 for maximum period of 30 days for payment on account. It is imperative for USC to follow Rule 43 for payments.
- m Although USC maintains the record for a period of up to 5 years but unfortunately most of the record required by us was not provided indicating violation of Rule 46.
- n USC is not adhering to the requirements of Rule 47 relating to public access to all the documents after the award of contract.

- o There is no defined emergency procurement system in place.
- p There are no procedures defined for dispute settlement and arbitration.
- q Liquated damages are rare and provision for same does not exist.
- r There is no proper inventory management system in place in USC.
- s There is no formally identified Code of Ethics at USC with particular reference to procurement management.
- t Function of Internal Audit is missing at USC.

v) Online Query System

To facilitate the stakeholders, online query system was put in place. It had bridged the gap between procuring agencies and suppliers. In this system users can get rapid online reply of their queries at PPRA website. Reply from PPRA can also be viewed by all users of PPRA website. During the Financial Years 2008 to 2012 a total of **3107** queries were replied.

vi). Grant of Exemption

Under Section (21) of PPRA Ordinance 2002, the Authority may, for reasons to be recorded in writing, recommend to the Federal Government that the procurement of an object or class of objects in the national interest be exempted from the operation of this Ordinance or any rule or regulation made thereunder or any other law regulating public procurement and the Federal Government on such recommendations shall exempt the aforesaid objects or class of objects from the operation of the laws and rules and regulations made thereunder.

The Authority so far has recommended seven (07) cases of different public sector procuring agencies including Ministries, Divisions, attached Departments etc. for exemption from the operation of Public Procurement Rules 2004 and PPRA Ordinance 2002. The less number of recommendations by the Authority indicates commitment to a transparent and efficient procurement regulatory framework to ensure economy, wider competition and value for money in public procurement at large.

MISCELLANEOUS ACTIVITIES

9. Miscellaneous Activities

i) Coordination with Federal Government

Administrative control of PPRA was transferred from Finance Division to Cabinet Division in April, 2005. The vision to place all regulatory bodies under a neutral Division was to administer them with a minimum control or free from bureaucratic clutches and cumbersome procedures, with a view to generate greater economic activity in the infrastructure sectors. Cabinet Division is handling and providing all necessary guidance in administrative, legal and financial matters of all the Regulatory Bodies. The technical matters are being dealt by the concerned line ministries of these regulatory bodies.

Role played by Cabinet Division in establishment and later on in performance of independent functions by PPRA is highly commendable. It ensures that the budget of PPRA;s released at the start of each quarter of a financial year. Being administrative Division it is extending necessary cooperation in disposal of the Senate and the National Assembly business, holding of meetings of the Standing Committee of Senate / National Assembly on the working and functions of PPRA, holding of the CCI, ECC, ECNEC, DAC and PAC meetings etc. Many other miscellaneous and varied nature of business such as amendments in the Law, Rules and Regulations, visit abroad cases, appointment of Managing Director, exemption cases, coordination with other Ministries/Divisions, submission of material for Budget Speech of the Finance Minister, performance report of the Authority and timely dissemination of Federal Government policies, instructions, circulars etc. to the Authority are handled timely and in a very efficacious manner. The prompt and efficient response displayed in the regularization case of thirty eight (38) employees of PPRA and seeking approval of the Prime Minister and subsequent NOC from CDA in obtaining a plot for construction of PPRA head office in Islamabad will always be remembered. The Authority is indebted to all the officers for their valuable and timely assistance in the disposal of official business.

ii) International Cooperation

PPRA is cooperating with the international organizations. Representatives of international agencies including World Bank, Asian Development Bank, USAID and Transparency International visited PPRA and organized number of seminars and forums in Pakistan on procurement sector. Detail of some of the events are given below; -

- i Mr. Hafeez-ur-Rehman, former Managing Director PPRA attended the 1st Consultative meeting of Asia Pacific Procurement Forum organized by ADB Manila, Philippines held from 24th to 25th August, 2009 in Manila. Lengthy deliberations were held on the concept that procurement was central to effective and efficient delivery of public services.



Group photo of the participants of 1st consultative meeting of Asia Pacific Procurement Forum held in Philippines.

- ii The Asia Pacific Procurement Partnership Initiative (PPI) held a meeting in Yogyakarta, Indonesia on 28th to 30th July, 2010. Pakistan was represented by Mr. Hafeez ur Rehman M.D PPRA. The forum brought out encouraging developments that had taken place in Pakistan in the new democratic dispensation for other countries to emulate. Financial and administrative independence of PPRA, especially steps taken by PPRA Board in financial autonomy with regard to tender fee and training fee was noted with a lot of interest by participating countries. Pakistan was selected as first PPI focal point for South Asia.



Yogyakarta – Parambanan Temple – a picture taken during the visit of Indonesia.

- iii. Mr. Hafeez-ur-Rehman, Managing Director, attended the “14th International Anti Corruption Conference” held from 10th to 13th November, 2010 in Bangkok, Thailand. The purpose of the conference was to produce strategies to overcome the effects of corruption on human security, climate governance, natural resources and energy markets, to find solutions to curb challenges of anti-corruption instruments from a global to local level and to incorporate new actors and innovative strategies in the fight against corruption.
- iv. The Asian Development Bank (ADB) and the World Bank (WB) in collaboration with Public Procurement Monitoring Office, Government of Nepal, organized a South Asia Regional Public Procurement forum from 26th to 28th April, 2011 in Kathmandu. The forum sponsored all costs for participation in the Forum. Main objectives of the forum were to provide a platform to senior public procurement officials and oversight agencies to share knowledge and experiences on good practices, with a view to making their public procurement systems more effective in utilization of public resources. The forum was attended by the Mr. Hafeez ur Rehman, Managing Director (PPRA) who highlighted the role and activities of PPRA in bringing improvements in the public procurement sector of Pakistan.
- v. Mr. Khalid Mahmood Lodhi, Director (PPRA) participated in Procurement Strategy for Public Sector Conference held in Singapore from 12th to 13th July, 2011. The officer participated as a guest speaker in the conference which aimed

at sharing knowledge on regulations and measures that serve efficiency goals, transparency and mitigating corruption.

- vi. The United Nation Economic and Social Commission for Asia and Pacific (UNESCAP) organized a workshop “WTO ESCAP advance government procurement for Asia economies” from 20th to 22nd December, 2011 at Bangkok, Singapore. Pakistan was represented by Mr. Khalid Mahmood Lodhi, Director. In the workshop the principles and obligation of WTO agreement on Government and the modalities, allied benefits for accession to the agreement including flexibilities available to developing countries were briefed to all the participants. It is worth mentioning that all PPRA officers represented the country at international foras without involving any fund either of the Federal Government or PPRA.



Speech by Charles D. Zimmerman, Investigator (USAID) in a Capacity Building Program at PPRA.



Mr. Hafeez-ur-Rehman, M.D (PPRA) is addressing ADB seminar held in Islamabad.

iii) Human Resource

Human resource plays a key role in achieving organizational objectives. Keeping in view the paramount importance of human capital, PPRA is committed to enhance their knowledge and skills. During the last four years, officers and officials had undergone training courses organized by National and International Institutes. To further enhance capacity of the staff, it is intended that they may be subjected to regular training courses organized by Pakistan Manpower Institute (PMI), Pakistan Computer Bureau (PCB), National Institute of Fire Technology and Secretariat Training Institute (STI), Islamabad etc. It was indeed a matter of pleasure for all thirty eight (38) employees of PPRA that they were regularized by the Cabinet Sub-Committee for regularization of all Contract / Daily wages / Contingent employees of Ministries / Divisions / Attached Departments / Autonomous Bodies etc.

The Authority is presently manned by a modest staff, comprising of 07 officers and 41 supporting staff, as per following detail: -

S#.	Designation	BPS/ PPRA Pay Scale	No. of Posts
1	Managing Director	BS 22	1
2	Directors	BS-19	2
3	Deputy Director	BS-18	1
4	Assistant Directors	PPG-1/ BS-17	3
5	Web Designer	PSG 6/BS 16	1
6	Web Analyst	PSG 5/ BS-12	1
7	Stenographer	PSG 6/BS-16	3
8	Steno typist	PSG 5/ BS-12	3
9	Assistant	PSG 5/ BS-12	1

10	Hardware Technician	PSG 5/ BS-12	1
11	UDC	PSG 4/ BS 07	4
12	DEO	PSG 4/ BS 07	1
13	LDC	PSG 4/ BS 07	6
14	Driver	PSG 3/ BS 3	6
15	Driver	BPS 7	1
16	DR	PSG 3/ BS 03	2
17	Naib Qasid	PSG 1/ BS 01	11
		Total	48

iv) **PPRA's Office Building**

The Authority has no accommodation of its own since establishment in Year, 2002 and is currently housed in 1st Floor of Federal Bank for Cooperative Building, Sector G-5/2 Islamabad. The space in the existing premises is inadequate /congested to meet the present and projected requirements of Authority. Finance Division, who owns this building has time and again demanded to vacate which could not be done as no alternate accommodation was available. In order to get a suitable office accommodation, various government organizations including Ministry of Housing and Works were approached by this Authority but without a positive response.

In year, 2008, Capital Development Authority was approached for allotment of a piece of land in an appropriate sector in line with the other regulatory bodies/Government offices, to construct PPRA's office accommodation. After the prolonged correspondence of more than two years, CDA finally confirmed availability of a plot measuring 2311.1 sq. yards in Mauve Area, G-9/1 at Islamabad at the rate of Rs.9600/-per sq yard.

The Prime Minister of Pakistan was pleased to approve the allotment of the plot. The Prime Minister was also pleased to approve the preparation of PC-I for acquisition of land from CDA at cost of Rs.22.187 million. Furthermore, it was also approved that a PC-I for construction of five stories building and basement for car parking will be prepared by PPRA and be got approved from the relevant competent forum i.e. CDWP.

In the light of the approval of the Prime Minister, Departmental Development Working Party (DDWP) approved the PC-I for acquisition of land for

construction of PPRA office building at Islamabad at cost of Rs.22.2 million in its meeting held on 6th September, 2010. However, the funds for payment of Plot cost have not been approved by the Planning and Development Division out of PSDP allocation, CDA's Board has approved the allotment in its meeting held on 3rd April, 2012.

v) PPRA's Website – Information Technology

PPRA IT department was established in 2003. It is equipped with latest technology to support the PPRA officers and staff with Local Area Network (LAN).

The Public Procurement Regulatory Authority (PPRA) has been mandated to ensure transparency, economy, efficiency and accountability of the public sector procuring agencies/organizations through implementation of Public Procurement Rules, 2004 and monitoring of procurements by public sector organizations. PPRA has been delegated the requisite powers under Section 5 (1) of the Public Procurement Regulatory Authority Ordinance 2002.

PPRA Official Website:

PPRA official website is one of the most active website in the Government departments which is updated on daily basis. Following are the main features of the PPRA website:

Active Public Tenders:

In this portion the tenders can be viewed and download two portions:

a) Active Tenders:

In this portion maximum time to display the tenders is 10 days from the closing date.

b) Tender History:

After 10 days active tenders shift in the tender history portion, where maximum time to display the tender notice is 40 days from closing date.

Documents Downloading:

Users can view or download Procurement Manuals, Standard Bidding

Documents (SBD), SROs, and SOPs for Procurement of Goods, Works and Services. In addition Contract Evaluation Forms and Procurement Guidelines can also be downloaded.

Online Tender Submission System:

Online tender submission was developed to facilitate the departments to advertise or upload their tenders directly at PPRA website. This is advance real time system to authenticate online tenders. The system ensure authentication of the online tender before placing it on PPRA website.

Supplier Registration System:

PPRA has started to register suppliers on its website. A unique user name and password is assigned to each supplier upon request. The supplier can bid against a specific tender after logging into the system. The suppliers are categorized into goods, works and services (including consulting services). Considering the history, background, financial condition and relevant registration with an appropriate forum / body, the suppliers are further categorized into Category A, B, and C. There is also a category of black listed suppliers. If a supplier consistently fails to perform or are found to be indulging in corrupt or fraudulent practices, they are placed in the black listed category.

During the financial years 2008 to 2012 Total 2085 Suppliers have been registered.



vi)

Revenue Generation– A Step towards Self Reliance

Section (9) of Public Procurement Regulatory Authority Ordinance No.XXII of 2002 provides that there shall be a PPRA fund to be utilized by the Authority to meet the charges in connection with its functions. Section 9(2) of PPRA ordinance provides that in addition to the Federal Government allocations, the fund shall also comprise of grants, income by investment by the authority and all other sums of properties which may in any manner become payable to; or vest with the authority in respect to any matter. In view of the above, PPRA has been sufficiently authorized to explore ways and means to generate its own income in line with other regulatory bodies.

One of the major functions being performed by PPRA is the continuous monitoring of tenders which are up-loaded by Public Sector Procuring Agencies on its website www.ppra.org.pk. Deviations from Public Procurement Rules, 2004 are pointed out to the respective agencies for taking corrective measures. According to Public Procurement Rules-12, all tender advertisements above PRs. 100,000/- are also required to be uploaded on PPRA website. During the financial year 2008-09 about 329 procuring agencies uploaded their 18630 tender advertisements on PPRA website. Since establishment of this facility in 2004, no charge has been levied on the tender advertisements.

In term of Rule (12) of Public Procurement Rules, 2004 publication of tender notices for Procurement of goods, services and works on PPRA website is mandatory for all public sector procuring agencies. PPRA website is useful for the procuring agencies and the suppliers. The advertisement of tender notices in print media is very expensive. All tender advertisements from Rs.100,000 to Rs.2 million are also required to be uploaded on PPRA website. Tenders above Rs.2 million are published both on PPRA website and in print media. This facility of uploading on PPRA website has been providing huge savings for the procuring agencies. It was felt that a nominal charge for meeting the expenses would help PPRA without causing any additional financial burden on the procuring agencies. PPRA levied an initial fee of Rs.1000/- on each tender uploading by the procuring agencies to generate some income and to meet its expenses relating to uploading.

VII. e-Procurement

E-Procurement is the purchase of goods, works and services electronically and is an integral part of an overall strategic procurement plan in the current business environment. The plan includes, but is not limited to strategic sourcing or supplier rationalization, automation of the manual procurement system, and participation in one or more market-places. The focus is on streamlining of business processes along with building a digitized product catalogs and automating the RFQ -based purchase processes while providing integration with the ERP/SCM systems. It is estimated that the cost of placing a purchase order will plummet drastically and the increased choice and flexibility will make for higher levels of profitability, wider competition, transparency, economy and efficiency in public procurements.

A careful analysis of the study undertaken by World Bank, to examine business approaches and practices used by the governments around the world for the execution and operation of e-procurement system, reveal the following common business approaches: -

- **Shared Services** – A third-party e-procurement service that is fully managed, owned and operated by the third party and used by one or more governments and their suppliers.
- **Public Private Partnership (PPP)** – A government e-procurement solution that is managed, owned and operated by a third-party service provider, often with the intent to transfer the platform back to the government in the future.
- **Government Owned and Operated** – A government developed and operated e-procurement solution that may or may not have been delivered by third-party partners.
- **Government Managed Service** – A government managed e-procurement solution that is operated and owned by a third-party partner.

The above choices of business models are associated with the amount of risk and cost a government organization is willing to undertake when implementing its e-Government Procurement Program. A certain level of security is required in order to ensure the integrity, transparency and privacy of the

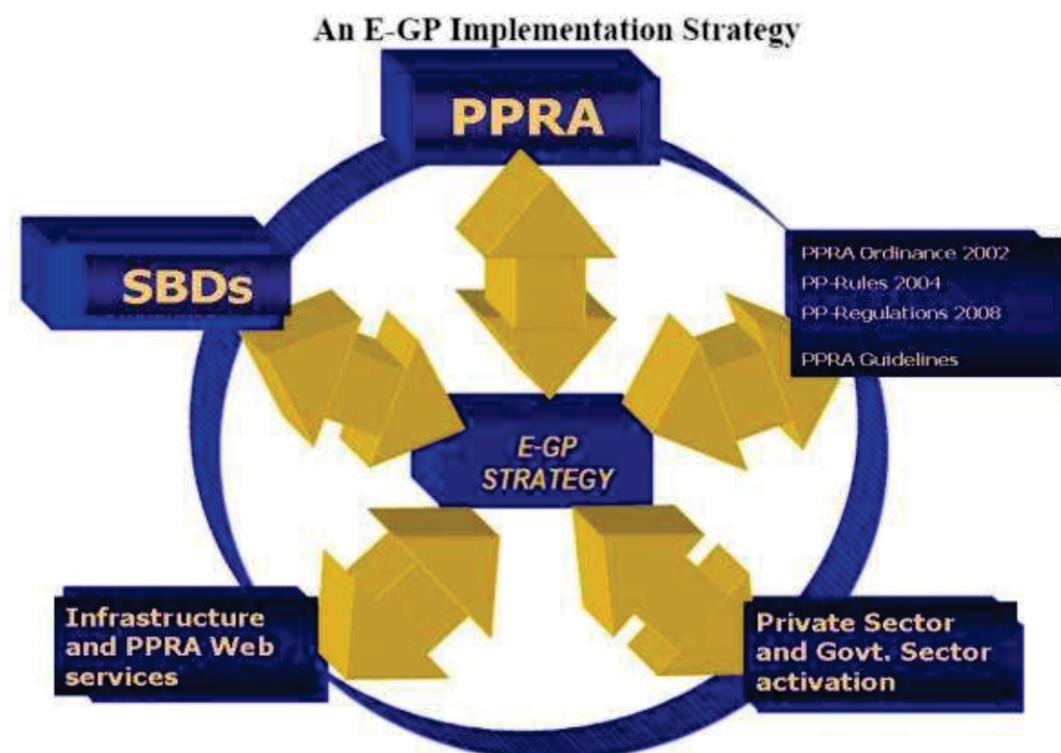
e-procurement system, but actual procurement process is protected by the Procuring Agency.

An e-G implementation Strategy

PPRA has developed e-GP implementation strategy which is sensitive to all of the elements that distinguish one jurisdiction from another including PPRA' management, PPRA Ordinance, PP-Rules 2004, PP- Regulations 2008, PPRA Guidelines, Infrastructure and web services, SBDs and Private Sector viz a viz Government Sector active participation. Accordingly an e-GP implementation strategy, like any reform strategy, has been developed, customized and owned by each jurisdiction.

To deliver the maximum output, "PPRA e-Procurement system" strategy will address the following key areas which will strengthen the procurement reform program.

- Political and executive leadership and authority
- Management procedures, regulations and legislation.
- Broad stakeholder involvement.
- Infrastructure.
- Technology



PPRA and E-GP Implementation Strategy:

The proximity of “E-Procurement system” demands proper phased implementation and sound planning. Considering the scarce resources, government and political setup, vision of management, local and international market scenario, timeline and stakeholders’ interest, the implementation of “E-Procurement system” has been divided into four phases.

Phase 1

Phase-1 of E-Tendering has been launched. It includes Information services related Tender uploads, Procuring Agency registration, and E-Tender forms. A unique user name and password is assigned to procuring agencies upon request. Tenders are uploaded by the Procuring agencies after logging into the system. Under Rule 12 of Public Procurement Rules 2004, it is mandatory for procuring agencies to advertise the procurements over one hundred thousand rupees on PPRA website.

Monitoring & Evaluation:

The monitoring of tendering is a continuous process. One of the major objectives of PPRA is to enhance awareness about PPR Rules through monitoring and evaluating the quality of tenders. National Institute of Procurement (NIP) is playing a significant role by arranging training programs. The objective is to minimize violations made by procuring agencies. The IT wing of PPRA indicates the violations of PP Rules made by procuring agencies in the tenders uploaded on the Authority’s website and the violations are also conveyed to the procuring agencies through surface mail and fax. The process of monitoring enables the procuring agencies to remove the violations from the tenders. It is heartening to note that with the passage of four to five years, the violations have been significantly reduced. Phase 2 (Document downloads, SBDs / Contract Forms)

Phase 2 is in the initial implementation phase. The Public Procurement Ordinance 2002, PP-Rules 2004, PP-Regulations 2008 and PPRA Guidelines have been uploaded on Authority’s website for the convenience stakeholders. Updated SRO’s, manuals, publications and related forms are also available to balance the interest of the Supplier as well as the Procuring Agency. Standard Bidding Documents (SBDs) /

Contract forms will be uploaded shortly. As per Rule 7 of PP- Rules 2004, procurement exceeding the prescribed financial limit is subject to an integrity pact between the procuring Agency and the Supplier or Contractor. The detail of the procuring agencies engaged in integrity pact has also been uploaded on Authority's website which can be downloaded free of cost.

Online Query system:

Online query system has been put in place considering the demand of stakeholders. This expedites the process of clarification that may be required by procuring agencies or suppliers.

Phase 3 Supplier Portals:

Phase 3 is in the development stage. Suppliers will get registered on the "E-Procurement system of PPRA". A unique user name and password will be assigned to each supplier upon request. The supplier can bid against a specific tender after logging into the system. The suppliers are being categorized into goods, works and services (including consulting services). Considering the history, background, financial condition and relevant registration with an appropriate forum / body, the suppliers have been further categorized into Category A, Band C and in the category of black listed suppliers if a supplier fails to meet quality or found in litigation. This awareness will save a lot of time of the procuring agencies thereby making the procurement process hassle free and effective.

Phase 4 (a) E-purchasing

Phase 4 (a) involves online bid submission, Security / Encryption/ Decryption, Bid upload and online work flow. Suppliers will submit bids online thereafter they will be uploaded and Encrypted using advance security system (security services can be hired from a third party) the same will be decrypted after bid maturity i.e. date of bid opening.

Phase 4 (b) E-purchasing:

Phase 4 (b) shall cater the bid Processing / evaluation and finally Bid evaluation results shall be uploaded. In the absence of "E-Procurement system" bid evaluation results were being uploaded on PPRA web portal www.ppra.org.pk for the convenience of stakeholders.

To deliver the maximum output, “PPRA e-Procurement system” strategy will address the following key areas which will strengthen the procurement reform program.

- Political and executive leadership and authority
- Management procedures, regulations and legislation.
- Broad stakeholder involvement.
- Infrastructure.
- Technology

PPRA and E-GP Implementation Strategy:

The proximity of “E-Procurement system” demands proper phased implementation and sound planning. Considering the scarce resources, government and political setup, vision of management, local and international market scenario, timeline and stakeholders’ interest, the implementation of “E-Procurement system” has been divided into four phases.



Phase-1 of E-Tendering has been launched. It includes Information services related Tender uploads, Procuring Agency registration, and E-Tender forms. A unique user name and password is assigned to procuring agencies upon request. Tenders are uploaded by the Procuring agencies after logging into the system. Under Rule 12 of Public Procurement Rules 2004, it is mandatory for procuring agencies to advertise the procurements over one hundred thousand rupees on PPRA website.

Monitoring & Evaluation:

The monitoring of tendering is a continuous process. One of the major objectives of PPRA is to enhance awareness about PPR Rules through monitoring & evaluation and National Institute of Procurement (NIP) training programs and hence minimize violations made by procuring agencies. The IT wing of PPRA indicates the violations of PP Rules made by procuring agencies in the tenders uploaded on the Authority's website, print media and sent through surface mail, fax. The process of monitoring enables the procuring agencies to remove the violations in future tendering. It is heartening to note that with the passage of time over the period of 4-5 years, the violations done by procuring agencies have significantly reduced.

Phase 2 E-Tendering (Document downloads, SBDs / Contract Forms)

Phase 2 is in the initial implementation phase. 2nd edition containing the Public Procurement Ordinance 2002, PP-Rules 2004, PP-Regulations 2008 and PPRA Guidelines has been uploaded on Authority's website for the convenience stakeholders for their ready reference. Updated SRO's, manuals, publications and related forms are also available to balance the interest of the Supplier as well as the Procuring Agency. Standard Bidding Documents (SBDs) / Contract forms will be uploaded shortly. As per Rule 7 of PP- Rules 2004, procurement exceeding the prescribed financial limit shall be subject to an integrity pact, as specified by the Federal Government between the procuring Agency and the Supplier or Contractor. The detail of the procuring agencies engaged in integrity pact has also been uploaded on Authorities website which can be downloaded free of cost.

Online Query system:

Online query system had been put in place considering the demand of stakeholders which will bridge the gap between Procuring Agency viz a viz Supplier and PPRA being the regulator.

Phase 3 Supplier Portal:

Phase 3 was in the development stage. Suppliers will get registered on the “E-Procurement system of PPRA”. A unique user name and password will be assigned to each supplier upon request. The supplier can bid against a specific tender after logging into the system. The suppliers were categorized into goods, works and services (including consulting services). Considering the history, background, financial condition and relevant registration with an appropriate forum / body, the suppliers were further categorized into Cat A, Cat B, Cat C and even in the category of black listed suppliers if a supplier fails to meet quality or found in litigation. This awareness will save a lot of time of the procuring agencies thereby making the procurement process hassle free and effective.

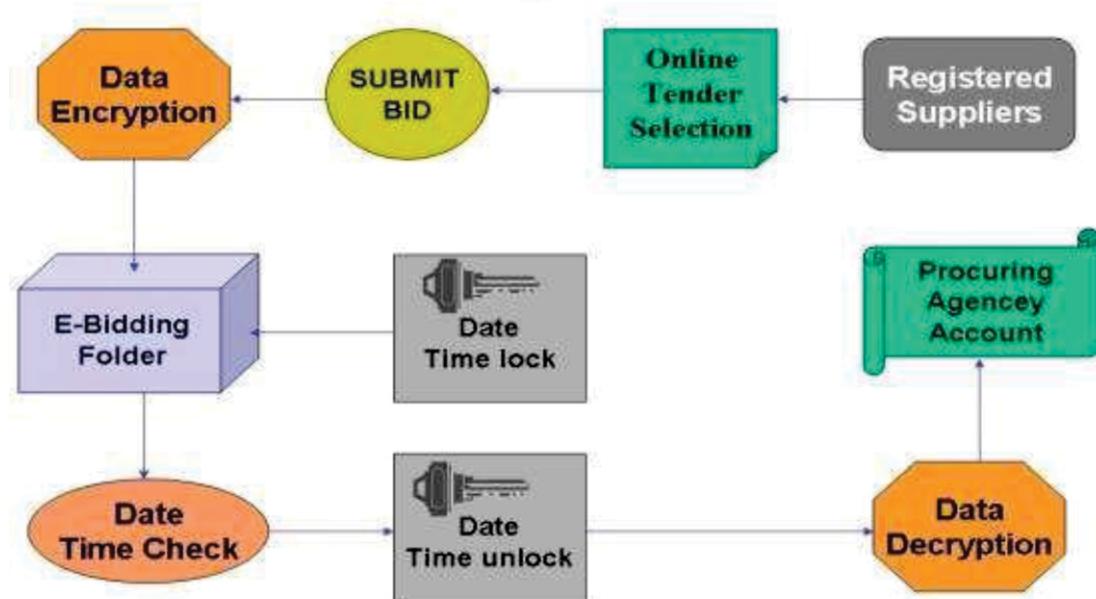
Phase 4 (a) E-purchasing

Phase 4 (a) involves online bid submission, Security / Encryption/ Decryption, Bid upload and online work flow. Suppliers will submit bids online thereafter they will be uploaded and Encrypted using advance security system (security services can be hired from a third party) the same will be decrypted after bid maturity i.e. date of bid opening.

Phase 4 (b) E-purchasing:

Phase (4) b shall cater the bid Processing / evaluation and finally Bid evaluation results shall be uploaded. In the absence of “E-Procurement system” bid evaluation results will be uploaded on PPRA web portal www.ppra.org.pk for the convenience of stakeholders.

E-Bidding Work Flow



ANNEXURES

Annexures

Annexure-I

PPRA Ordinance 2002

PART-I

**Acts, Ordinances, President's Orders and Regulations
Government of Pakistan**

**MINISTRY OF LAW, JUSTICE, HUMAN RIGHTS AND
PARLIAMENTARY AFFAIRS
(Law, Justice and Human Rights Division)**

ORDINANCE No. XXII of 2002

AN ORDINANCE to provide for the establishment of Public Islamabad, the 15th May, 2002

F. No. 2(1)/2002.Pub. – The following Ordinance promulgated by the President is hereby published for general Information Procurement Regulatory Authority for regulating public procurement of goods, services and works in the public sector; WHEREAS it is expedient to provide for the establishment of a Public Procurement Regulatory Authority for regulating procurement of goods, services and works in the public sector and for matters connected therewith or ancillary thereto; AND WHEREAS the President is satisfied that circumstances exist which render it necessary to take immediate action; NOW, THEREFORE, in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No.1 of 1999, read with the Provisional Constitution (Amendment) Order No.9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:-

CHAPTER I.-PRELIMINARY

1. Short title, extent and commencement.-

1. This Ordinance may be called the Public Procurement Regulatory Authority Ordinance, 2002.
2. It extends to the whole of Pakistan.
3. It shall come into force at once.

2. Definitions.

In this Ordinance, unless there is anything repugnant in the subject or context,-

- a) "Authority" means the Public Procurement Regulatory Authority established under section 3;
- b) "Board" means the Board constituted under section 6;
- c) "Chairperson" means the Chairperson of the Board;
- d) "Fund" means the fund established under section 9;
- e) "goods" means articles and objects of every kind and description including raw materials, products, equipment, machinery, spares and commodities in any form and includes services incidental to installation, transport, maintenance and similar obligations related to the supply of goods if the value of these services does not exceed the value of such goods;
- f) "Managing Director" means the Managing Director appointed under section 8;
- g) "member" means a member of the Authority;
- h) "mis-procurement" means public procurement in contravention of any provision of this Ordinance, any rules, regulations, orders or instructions made there under or any other law in respect of, or relating to, public procurement;

- i) “prescribed” means prescribed by rules made under this Ordinance;
- j) “procuring agency” means-
 - i.). any Ministry, Division, Department or any Office of the Federal Government;
 - ii). any authority, corporation, body or organization established by or under a Federal law or which is owned or controlled by the Federal Government;
- k) “Public Fund” means the Federal Consolidated Fund and the Public Account of the Federation and includes funds of enterprises which are owned or controlled by the Federal Government.
- l) “public procurement” means acquisition of goods, services or construction of any works financed wholly or partly out of the Public Fund, unless excluded otherwise by the Federal Government;
- m) “regulations” means regulations made under this Ordinance;
- n) “rules” means rules made under this Ordinance;
- o) “service” means any object of procurement other than goods or works; and
- p) “works” means any construction work consisting of erection, assembly, repair, renovation or demolition of a building or structure or part thereof, such as site preparation, excavation, installation of equipment or materials and decoration, finishing and includes incidental services such as drilling, mapping, satellite photography, seismic investigations and similar activities, if the value of those services does not exceed that of the works themselves.

CHAPTER II.-ESTABLISHMENT OF AUTHORITY

3. Establishment of Authority.

1. There is hereby established an Authority to be called the Public Procurement Regulatory Authority for carrying out the purposes of this Ordinance.
2. The Authority shall be a body corporate, having perpetual succession and a common seal, with powers subject to the provisions of this Ordinance, to acquire and hold property, both moveable and immovable, and, sue and be sued by the name assigned to it by subsection (1).
3. The headquarters of the authority shall be at Islamabad and it may establish its offices at such other place or places in Pakistan as it may consider appropriate.

4. Power of the Federal Government to issue directives

The Federal Government may, as and when it considers necessary, issue directives to the Authority on matters of policy, and such directives shall be binding on the Authority.

5. Functions and powers of the Authority.-

- (a) monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to, procurement;
- (b) procedures in respect of, or relating to, inspection or quality of goods, services and works and recommend reformulation thereof or revisions therein as it deems necessary;
- (c) recommend to the Federal Government revisions in or formulation of new laws, rules and policies in respect of or related to public procurement;
- (d) make regulations and lay down codes of ethics and procedures for public procurement, inspection or quality of goods, services and works;
- (e) monitor public procurement practices and make recommendations to improve governance, transparency, accountability and quality of public procurement;

- (f) monitor overall performance of procuring agencies and make recommendations for improvements in their institutional set up;
- (g) provide and coordinate assistance to procuring agencies for developing and improving their institutional framework and public procurement activities;
- (h) submit reports to the Government in respect of public procurement activities of procuring agencies;
- (i) call any functionary of procuring agencies to provide assistance in its functions and call for any information from such agencies in pursuance of its objectives and functions; and
- (j) perform any other function assigned to it by the Federal Government or that is incidental or consequential to any of the aforesaid functions.

CHAPTER III.-MANAGEMENT AND ADMINISTRATION OF THE AUTHORITY

6. Board

1. General directions and administration of the Authority and its affairs shall vest in a Board which may exercise all powers, perform all functions and do all acts and things which may be exercised, performed or done by the Authority.
2. The Board shall consist of the following Members, namely:-

a. Secretary, Finance Division	Chairperson
b. Secretary, Ministry of Industries and Production	Member
c. Secretary, Defence Production Division	Member
d. Secretary Ministry of Water and Power	Member
e. Secretary, Ministry of Housing and works	Member
f. Secretary, Ministry of Communications	Member
g. Three Members from private sector to be nominated by the Federal Government	Member
h. Managing Director	Member

3. The Managing Director shall act as Secretary to the Board.

4. A member appointed from the private sector shall hold office for a period of three years and shall be entitled to such terms and conditions as the Federal Government may determine.

5. A member from the private sector may, by writing in his hand addressed to the Federal Government, resign his office.

6. A casual vacancy in the office of a private sector member shall be filled by appointment of another member from the private sector for the residue of the terms of his predecessor.

7. Meeting of the Board

The meeting of the Board shall be presided over by the Chairperson or, in his absence the member elected by the members, shall preside at the meeting of the Board.

2. Five members shall constitute a quorum for a meeting of the Board requiring a decision by the Board.

3. The meeting of the Board shall be held at such times, places and in such manner as may be prescribed by regulation.

4. The members shall have reasonable notice of the time and place of the meeting and matters on which a decision by the Board shall be taken in such meeting.

5. The decision of the Board shall be taken by the majority of its members present and, in case of a tie, the member presiding a meeting shall have a casting vote.

6. All orders, determination and decision of the Board shall be taken in writing and shall be signed by the Managing Director.

8. Managing Director

1. The Federal Government shall select and appoint a whole-time Managing Director to serve as member of the Board and shall be responsible for day to day administration of the Authority for such period and on such terms and conditions as the Federal Government may, determine.

2. The Managing Director shall be appointed for three years and he shall be eligible for re-appointment but his total tenure shall in no case exceed six years.

3. No person shall be appointed or continue as Managing Director, if he-

- a. has been convicted of an offence involving moral turpitude;
- b. has been removed from service for misconduct;
- c. has been adjudicated as insolvent;
- d. is incapable of discharging his duties by reasons of physical or mental incapacity and has been so declared by a Medical Board appointed by the Federal Government; or
- e. fail to disclose any conflict of interest at or within the time provided for such disclosure by or under this Ordinance or contravene any of the provisions of this Ordinance.

4. The Managing Director may, at any time, resign his office by writing under his hand addressed to the Federal Government.

5. The Managing Director shall be paid such salary and allowances as the Federal Government may determine but his salary and allowances shall not be varied to his disadvantage during his term of office.

6. The Managing Director shall not, during the term of his office, engage himself to any other service, business, vocation or employment nor shall he before the expiration of one year thereof enter into employment or accept any advisory or consult relationship with any person engaged in public procurement activity: Provided that where the Managing Director is a Government servant there shall be no

such restrictions on his employment after he has retired or transferred from the post of Managing Director and where he is from private sector he shall not have any direct or indirect financial interest or have any connection with any company engaged in public procurement activity for so long as he holds office and for a period of one year thereafter.

7. The Managing Director shall have power and responsibility to ; -

- a. exercise administrative control over the personnel of the Authority;

- b. exercise, in respect of the Authority, such other management, administrative and financial powers as deemed appropriate by the Authority;
- c. submit the annual budget proposals of the Authority to the Board;
- d. prepare the annual report of the Authority for the Board and the Federal Government.
- e. exercise such powers as the Board may delegate to him; and
- f. act on behalf of the Authority, in any emergency, subject to the obligation to report such action to the Board at its next meeting and to seek the Board's ratification of any action so taken.

CHAPTER IV.-FINANCIAL PROVISIONS

9. Fund

- 1. There is hereby established a Fund to be known as the Public Procurement Regulatory Authority Fund which shall vest in the Authority and shall be utilized by the Authority to meet the charges in connection with its functions under this Ordinance.
- 2. To the credit of the Public Procurement Authority, a fund shall be placed comprising-
 - a. such sums as the Federal Government may, from time to time, allocate to it in the annual budget.
 - b. grants;
 - c. income from investment by the Authority; and
 - d. all other sums or properties which may in any manner become payable to, or vest in, the Authority in respect of any matter.
- 3. The Authority, while performing its functions and exercising its powers under the Ordinance, shall exercise highest sense of prudence as far as expenditures are concerned.

10. Expenditure to be charged on the Fund

1. The Fund shall be expended for the purpose of ; -
 - a. paying any expenditure lawfully incurred by the Authority, relating to remuneration of its members, employees, advisers, and consultants of the Authority, including provident fund contributions, superannuating allowances or gratuities, legal fees and costs as well as other fees and costs;
 - b. paying any other expenses, costs or expenditure properly incurred or accepted by the Authority in the performance of its functions or the exercise of its powers under this Ordinance;
 - c. purchasing or hiring equipment, machinery and any other work and undertakings in the performance of its functions or the exercise of its powers under this Ordinance;
 - d. repaying any financial accommodation received; and
 - e. generally, paying any expenses for carrying into effect the provisions of this Ordinance.

11. Power to obtain finances and receive grants

The Authority may, from time to time and with the approval of the Federal Government, accept grants from entities both domestic and international, including multilateral agencies for meeting any of its obligations or performing of any of its functions.

12. Investment

The Authority may invest its surplus funds in accordance with the instructions of the Federal Government.

13. Budget and accounts

The Authority shall cause its accounts to be maintained properly and in respect of each financial year submit for approval of the Federal Government by such date and in such form as may be specified by the Federal Government a statement showing the estimated receipts and current expenditure and the sums to be required from the Government during the next financial year.

14. Maintenance of accounts

The Authority shall cause proper accounts to be kept and shall after the end of each financial year cause to be prepared for that financial year a statement of accounts of the Authority which shall include a balance sheet and an account of receipt and expenditure.

15. Audit

The accounts of the Authority, shall be audited every year by the Auditor-General of Pakistan.

CHAPTER V.-REGULATORY AND OTHER PROVISIONS.

16. Information

The Authority may call for any information required by it for carrying out the purposes of this Ordinance, from any person or any institution in public procurement activities and any such person or institution shall provide the required information called by the Authority.

2. The Authority shall furnish to the Federal Government such information with respect to the policies and procedures it is pursuing or proposes to pursue in the performance of any of its functions under this Ordinance as the Federal Government may, from time to time, require.

17 Annual report

Within one hundred and twenty days from the end of each financial year, the Authority shall cause a report to be prepared on its activities including inquiries and investigations made by the Authority under this Ordinance during that financial year and release to the public after it has been seen by the Cabinet.

CHAPTER VI.-MISCELLANEOUS

18. Appointment of officers and staff, etc.

The Authority may, from time to time and within its resources, appoint such officers, servants, advisers, consultants and experts as it may consider necessary for performance of its functions.

2. The Authority shall by regulations prescribe the procedure for appointment of its officers, servants, advisers, consultants and experts and the terms and conditions of their service.

19. Members, officers, etc. to be public servants

The Chairperson, members, Director-General, officers, servants, advisers, consultants and experts of the Authority shall, when acting or purporting to act in pursuance of any of the provisions of this Ordinance or the rules and regulations made thereunder, be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code (Act XLV of 1860).

20. Delegation

The Authority may, by such conditions and limitations as it may deem fit to impose, delegate any of its functions or powers to the Managing Director, or one or more members or any of its officers except the power to-

- (a) approve audited accounts;
- (b) recommend exemption under section 21; and
- (c) make or repeal regulation made under this Ordinance.

21. Power to exempt

The Authority may, for reasons to be recorded in writing, recommend to the Federal Government that the procurement of an object or class of objects in the national interest be exempted from the operation of this Ordinance or any rule or regulation made thereunder or any other law regulating public procurement and the Federal Government on such recommendations shall exempt the aforesaid objects or class of objects from the operation of the laws and rules and regulations made thereunder.

21A. *Ordinance not to apply to certain bodies corporate etc.-*

Notwithstanding anything contained in this Ordinance the provisions thereof shall not apply to a body corporate, company, institution undertaking or establishment specified in the Schedule to this Ordinance, which has been privatized pursuant to the Privatization Commission Ordinance, 2000 (LII of 2000).

2. The Federal Government may, by notification in the official Gazette, amend the Schedule so as to add any entry thereto, modify or omit any entry therein.

22. *Validity of proceedings*

No act or proceedings of the Authority or the Board, shall be invalid by reason only of the existence of a vacancy in, or defect in the constitution of, the Authority or the Board.

23. *Indemnity*

No suit, prosecution, or other legal proceedings shall lie against the Authority, the Board, the Chairperson or any member, officer, servants, advisers or consultants of the Authority in respect of anything in good faith done or intended to be done under this Ordinance or the rules and regulations made thereunder.

24. *Common seal*

The Authority shall have a common seal and such seal shall be kept by the Managing Director or such other person as the Chairperson may authorize.

2. The seal shall be authenticated in the same manner as may be prescribed by regulation and any document purported to be sealed with the seal so authenticated shall be receivable as evidence of the particular stated in the document.

25. *Winding up*

No provision of law relating to winding up of bodies corporate shall apply to the Authority and the Authority shall not be wound up except by the orders of the Federal Government in the same manner as the Federal Government may direct.

26. Power of the Federal Government to make rules

The Federal Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Ordinance.

27. Power of the Authority to make regulations

The Authority may make regulations, not inconsistent with the provisions of this Ordinance and the rules made thereunder, for carrying out the purposes of this Ordinance.

Public Procurement Rules 2004

Islamabad, June 9, 2004

PART-II

Statutory Notifications (S.R.O)

Government of Pakistan

FINANCE DIVISION

(Admn. and Coord. Wing)

NOTIFICATION

Islamabad, 9th June, 2004

NOTIFICATION

S.R.O. 432(I)/2004.- 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, 2004.
- (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,-

- (a) “bid” means a tender, or an offer, in response to an invitation, by a person, consultant, firm, company or an organization expressing his or its willingness to undertake a specified task at a price;
- (b) “bidder” means a person who submits a bid;
- (c) “competitive bidding” means a procedure leading to the award of a contract whereby all the interested persons, firms, companies or organizations may bid for the contract and includes both national competitive bidding and international competitive bidding;
- (d) “contractor” means a person, consultant, firm, company or an organization who undertakes to supply goods, services or works;
- (e) “contract” means an agreement enforceable by law;
- (f) “corrupt and fraudulent practices” includes the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty;
- (g) “emergency” means natural calamities, disasters, accidents, war and operational emergency which may give rise to abnormal situation requiring prompt and immediate action to limit or avoid damage to person, property or the environment;
- (h) “lowest evaluated bid” means,-
 - (i) a bid most closely conforming to evaluation criteria and other conditions specified in the bidding document; and
 - (ii) having lowest evaluated cost;
- (i) “Ordinance” means the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002);

(j) "repeat orders" means procurement of the same commodity from the same source without competition and includes enhancement of contracts;

(k) "supplier" means a person, consultant, firm, company or an organization who undertakes to supply goods, services or works; and

(l) "value for money" means best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the procuring agency's requirements.

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

3. Scope and applicability.-

Save as otherwise provided, these rules shall apply to all procurements made by all 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; for all other purposes

their translations in local language shall be used:

Provided that such use of local language ensures maximum economy and efficiency in the procurement.

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

7. Integrity pact.- Procurements exceeding the prescribed limit shall be subject to an integrity pact, as specified by regulation with approval of the Federal Government, between the procuring agency and the suppliers or contractors.

PROCUREMENT PLANNING

8. Procurement planning.-

Within one year of commencement of these rules, all procuring agencies shall devise a mechanism, for planning in detail for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future.

9. Limitation on splitting or regrouping of proposed procurement.-

Save as otherwise provided and subject to the regulation made by the Authority, with the prior approval of the Federal Government, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the Authority's website as well as on the website of the procuring agency in case the procuring agency has its own website.

10. Specifications.-

Specifications shall allow the widest possible competition and shall not favour any single contractor or supplier nor put others at a disadvantage. Specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar classifications. However if the procuring agency is convinced that the use of or a reference to a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words "or equivalent".

***Provided that this rule shall not apply to procurement made by public sector commercial concerns on the demand of private sector client specifying, in writing, a particular brand, model or classification of equipment, machinery or other objects.

11. Approval mechanism.-

All procuring agencies shall provide clear authorization and delegation of powers for different categories of procurement and shall only initiate procurements once approval of the competent authorities concerned has been accorded.

PROCUREMENT ADVERTISEMENTS

12. Methods of advertisement.-

**(1) Procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the Authority's website in the manner and format specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency:

**Provided that the lower financial limit for advertisement on Authority's website for open competitive bidding shall be the prescribed financial limit for request for quotations under clause (b) of rule 42.

**(2) All procurement opportunities over two million rupees should be advertised on the Authority's website as well as in 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 in Urdu.

(3) In cases where the procuring agency has its own website it may also post all advertisements concerning procurement on that website as well.

(4) A procuring agency utilizing electronic media shall ensure that the information posted on the website is complete for the purposes for which it has been posted, and such information shall remain available on that website until the closing date for the submission of bids.

13. Response time.-

**(1) The procuring agency may decide the response time for receipt of bids or proposals (including proposals for pre-qualification) from the date of publication of an

advertisement or notice, keeping in view the individual procurement's complexity, availability and urgency. However, under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice. All advertisements or notices shall expressly mention the response time allowed for that particular procurement along with the information for collection of bid documents which shall be issued till a given date, allowing sufficient time to complete and submit the bid by the closing date:

Provided that no time limit shall be applicable in case of emergency.

(2) The response time shall be calculated from the date of first publication of the advertisement in a newspaper or posting on the web site, as the case may be.

(3) In situations where publication of such advertisements or notices has occurred in both electronic and print media, the response time shall be calculated from the day of its first publication in the newspapers.

14. Exceptions.-

**It shall be mandatory for all procuring agencies to advertise all procurement requirements exceeding prescribed financial limit which is applicable under sub-clause (i) of clause (b) of rule 42. However under following circumstances deviation from the requirement is permissible with the prior approval of the Authority,-

(a) the proposed procurement is related to national security and its publication could jeopardize national security objectives; and

(b) the proposed procurement advertisement or 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.

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

15. Pre-qualification of suppliers and contractors.-

(1) A procuring agency, prior to the floating of tenders, invitation to proposals or offers in procurement proceedings, may engage in pre-qualification of bidders in case of services, civil works, turnkey projects and in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable

firms having adequate managerial capability are invited to submit bids. Such pre-qualification shall solely be based upon the ability of the interested parties to perform that particular work satisfactorily.

(2) A procuring agency while engaging in pre-qualification may take into consideration the following factors, namely:-

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

16. 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 by suppliers or contractors to demonstrate their respective qualifications and any other information that the procuring agency deems necessary for pre-qualification.

(2) The procuring agency shall provide a set of pre-qualification documents to any supplier or contractor, on request and subject to payment of price, if any.

Explanation.- For the purposes of this sub-rule price means the cost of printing and providing the documents only.

(3) The procuring agency shall promptly notify each supplier or contractor submitting an application to pre-qualify whether or not it has been pre-qualified and shall make available to any person directly involved in the pre-qualification process, upon request, the names of all suppliers or contractors who have been pre-qualified. Only suppliers or contractors who have been pre-qualified shall be entitled to participate further in the procurement proceedings.

(4) The procuring agency shall communicate to those suppliers or contractors

who have not been pre-qualified the reasons for not pre-qualifying them.

17. Qualification of suppliers and contractors.-

A procuring agency, at any stage of the procurement proceedings, having credible reasons for or *prima facie* evidence of any defect in supplier's or contractor's capacities, may require the suppliers or contractors to provide information concerning their professional, technical, financial, legal or managerial competence whether already pre-qualified or not:

Provided that such qualification shall only be laid down after recording reasons therefor in writing. They shall form part of the records of that procurement proceeding.

18. Disqualification of suppliers and contractors.-

The procuring agency shall disqualify a supplier or contractor if it finds, at any time, that the information submitted by him concerning his qualification as supplier or contractor was false and materially inaccurate or incomplete.

19. Blacklisting of suppliers and contractors.-

The procuring agencies shall specify a mechanism and manner to permanently or temporarily bar, from participating in their respective procurement proceedings, suppliers and contractors who either consistently fail to provide satisfactory performances or are found to be indulging in corrupt or fraudulent practices. Such barring action shall be duly publicized and communicated to the Authority:

Provided that any supplier or contractor who is to be blacklisted shall be accorded adequate opportunity of being heard.

METHODS OF PROCUREMENT

20. Principal method of procurement.-

Save as otherwise provided hereinafter, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

21. Open competitive bidding.-

**Subject to the provisions of rules 22 to 37 the procuring agencies shall engage in open competitive bidding if the cost of the object to be procured is more than the prescribed financial limit which is applicable under sub-clause (i) of clause (b) of rule 42

22. Submission of bids.-

(1) The bids shall be submitted in a sealed package or packages in such manner that the contents are fully enclosed and cannot be known until duly opened.

(2) A procuring agency shall specify the manner and method of submission and receipt of bids in an unambiguous and clear manner in the bidding documents.

23. Bidding documents.-

(1) Procuring agencies shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid.

(2) For competitive bidding, whether open or limited, the bidding documents shall include the following, namely:-

- (a) invitation to bid;
- (b) instructions to bidders;
- (c) form of bid;
- (d) form of contract;
- (e) general or special conditions of contract;
- (f) specifications and drawings or performance criteria (where applicable);
- (g) list of goods or bill of quantities (where applicable);
- (h) delivery time or completion schedule;
- (i) qualification criteria (where applicable);
- (j) bid evaluation criteria;

- (k) format of all securities required (where applicable);
- (l) details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and
- (m) any other detail not inconsistent with these rules that the procuring agency may deem necessary.

(3) Any information, that becomes necessary for bidding or for bid evaluation, after the invitation to bid or issue of the bidding documents to the prospective bidders, shall be provided 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 in a manner similar to the original advertisement.

(4) Procuring agencies shall use standard bidding documents as and when notified by regulation by the Authority:

Provided that bidding documents already in use of procuring agencies may be retained in their respective usage to the extent they are not inconsistent with these rules, and till such time that the standard bidding documents are specified by regulations.

(5) The procuring agency shall provide a set of bidding documents to any supplier or contractor, on request and subject to payment of price, if any.

Explanation.- For the purpose of this sub-rule price means the cost of printing and providing the documents only.

24. Reservations and preference.-

(1) Procuring agencies shall allow all prospective bidders to participate in procuring procedure without regard to nationality, except in cases in which any procuring agency decides to limit such participation to national bidders only or prohibit participation of bidders of some nationalities, in accordance with the policy of Federal Government.

(2) Procuring agencies shall allow for a preference to domestic or national suppliers or contractors in accordance with the policies of the Federal Government. The magnitude of price preference to be accorded shall be clearly mentioned in the bidding documents under the bid evaluation criteria.

25. Bid security.-

The procuring agency may require the bidders to furnish a bid security not exceeding five per cent of the bid price.

26. Bid validity.-

(1) A procuring agency, keeping in view the nature of the procurement, shall subject the bid to a bid validity period.

(2) 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 within the stipulated bid validity period. However under exceptional circumstances and for reason 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. Such extension shall be for not more than the period equal to the period of the original bid validity.

(4) Bidders who,-

(a) agree to extension of their bid validity period shall also extend the validity of the bid bond or 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) do not agree to an extension of the bid validity period shall be allowed to withdraw their bids without forfeiture of their bid bonds or securities.

27. Extension of time for submission of bids.-

Where a procuring agency has already prescribed a deadline for the submission of bids and due to any reason the procuring agency finds it necessary to extend such deadline, it shall do so only after recording its reasons in writing and in an equal opportunity manner. Advertisement of such extension in time shall be done in a manner similar to the original advertisement.

OPENING, EVALUATION AND REJECTION OF BIDS

28. Opening of bids.-

(1) The date for opening of bids and the last date for the submission of bids shall be the same. Bids shall be opened at the time specified in the bidding documents.

The bids shall be opened at least thirty minutes after the deadline for submission of bids.

(2) All bids shall be opened publicly in the presence of the bidders or their representatives who may choose to be present, at the time and place announced prior to the bidding. The procuring agency shall read aloud the unit price as well as the bid amount and shall record the minutes of the bid opening. All bidders in attendance shall sign an attendance sheet. All bids submitted after the time prescribed shall be rejected and returned without being opened.

29. Evaluation criteria.-

Procuring agencies shall formulate an appropriate evaluation criterion 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 unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.

30. Evaluation of bids.-

(1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding documents. Save as provided for in sub-clause (iv) of clause (c) of rule 36 no evaluation criteria shall be used for evaluation of bids that had 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 bids specified in the bidding documents, as notified 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 are in force at the time of issue of notice for invitation of bids.

31. Clarification of bids.-

(1) No bidder shall be allowed to alter or modify his bid after the bids have been opened. However the procuring agency may seek and accept clarifications to the bid that do not change the substance of the bid.

(2) Any request for clarification in the bid, made by the procuring agency shall invariably be in writing. The response to such request shall also be in writing.

32. Discriminatory and difficult conditions.-

Save as otherwise provided, no procuring agency shall introduce any condition, which discriminates between bidders or that is considered to be met with difficulty. In ascertaining the discriminatory or difficult nature of any condition reference shall be made to the ordinary practices of that trade, manufacturing, construction business or service to which that particular procurement is related.

33. Rejection of bids.-

(1) The procuring agency may reject all bids or proposals at any time prior to the acceptance of a bid or proposal. The procuring agency shall upon request communicate to any supplier or contractor who submitted a bid or proposal, the grounds for its rejection of all bids or proposals, but is not required to justify those grounds.

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

(3) Notice of the rejection of all bids or proposals shall be given promptly to all suppliers or contractors that submitted bids or proposals.

34. Re-bidding.-

(1) If the procuring agency has rejected all bids under rule 33 it may call for a re-bidding.

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

35. Announcement of evaluation reports.-

Procuring agencies shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days prior to the award of procurement contract.

36. Procedures of open competitive bidding.-

Save as otherwise provided in these rules the following procedures shall be permissible for open competitive bidding, namely:-

(a) Single stage – one envelope procedure.-

Each bid shall comprise one single envelope containing, separately, financial proposal and technical proposal (if any). All bids received shall be opened and evaluated in the manner prescribed in the bidding document.

(b) Single stage – two envelope procedure.-

(i) The bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;

(ii) the envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion;

(iii) initially, only the envelope marked “TECHNICAL PROPOSAL” shall be opened;

(iv) the envelope marked as “FINANCIAL PROPOSAL” shall be retained in the custody of the procuring agency without being opened;

(v) the procuring agency shall evaluate the technical proposal in a manner prescribed in advance, without reference to the price and reject any proposal which does not conform to the specified requirements;

(vi) during the technical evaluation no amendments in the technical proposal shall be permitted;

(vii) the financial proposals of bids shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance;

(viii) after the evaluation and approval of the technical proposal the procuring agency, shall at a time within the bid validity period, publicly open the financial proposals of the technically accepted bids only. The financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidders; and

(ix) the bid found to be the lowest evaluated bid 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 evaluated in accordance with the specified evaluation criteria and may be discussed with the bidders regarding any deficiencies and unsatisfactory technical features;

(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, and that sufficient time is allowed to the bidders to prepare their revised bids:

Provided further that such allowance of time shall not be less than fifteen days in the case of national competitive bidding and thirty days in the case of international competitive bidding;

(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

(vi) 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;

(vii) 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

(viii) the revised technical proposal and the financial proposal shall be evaluated in the manner prescribed above. The bid found to be the lowest evaluated bid shall be accepted:

Provided that in setting the date for the submission of the revised technical proposal and financial proposal a procuring agency shall allow sufficient time to the bidders to incorporate the agreed upon changes in the technical proposal and prepare their financial proposals accordingly.

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

First stage

- (i) the bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;
- (ii) the envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion;
- (iii) initially, only the envelope marked “TECHNICAL PROPOSAL” shall be opened;
- (iv) the envelope marked as “FINANCIAL PROPOSAL” shall be retained in the custody of the procuring agency without being opened;
- (v) the technical proposal shall be discussed with the bidders with reference to the procuring agency’s technical requirements;
- (vi) those bidders willing to meet the requirements of the procuring agency shall be allowed to revise their technical proposals following these discussions;
- (vii) 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

- (viii) after agreement between the procuring agency 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 requirement;

- (ix) the revised technical proposal along with the original financial proposal and supplementary financial proposal shall be opened at a date, time and venue announced in advance by the procuring agency;

Provided that in setting the date for the submission of the revised technical proposal and supplementary price proposal a procuring agency shall allow sufficient time to the bidders to incorporate the agreed upon changes in the technical proposal and to prepare the required supplementary financial proposal; and

- (x) the procuring agency shall evaluate the whole proposal in accordance with the evaluation criteria and the bid found to be the lowest evaluated bid shall be accepted.

37. Conditions for use of single stage two envelope, two stage and two stage two envelope bidding procedures.-

Single stage one envelope bidding procedure shall ordinarily be the main open competitive bidding procedure used for most of the procurement. Other appropriate procedures of open competitive bidding shall be selected in the following circumstances, namely:-

- (a) 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;
- (b) 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
- (c) 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 or manufacturing plant

ACCEPTANCE OF BIDS AND AWARD OF PROCUREMENT CONTRACTS

38. Acceptance of bids.-

The bidder with the lowest evaluated bid, if not in conflict with any other law, rules, regulations or policy of the Federal Government, shall be awarded the procurement contract, within the original or extended period of bid validity.

39. Performance guarantee.-

Where needed and clearly expressed in the bidding documents, the procuring agency shall require the successful bidder to furnish a performance guarantee which shall not exceed ten per cent of the contract amount.

40. Limitation on negotiations.-

Save as otherwise provided there shall be no negotiations with the bidder having submitted the lowest evaluated bid or with any other bidder:

Provided that the extent of negotiation permissible shall be subject to the regulations issued by the Authority.

41. Confidentiality.-

The procuring agency shall keep all information regarding the bid evaluation confidential until the time of the announcement of the evaluation report in accordance with the requirements of rule 35.

42. Alternative methods of procurements.-

A procuring agency may utilize the following alternative methods of procurement of goods, services and works, namely:-

(a) petty purchases.-

Procuring agencies may provide for petty purchases where the object of the procurement is below the financial limit of twenty five thousand rupees. Such procurement shall be exempt from the requirements of bidding or quotation of prices:

Provided that the procuring agencies shall ensure that procurement of petty purchases is in conformity with the principles of procurement prescribed in rule 4:

Provided further that procuring agencies convinced of the inadequacy of the financial limit prescribed for petty purchases in undertaking their respective operations may approach the Federal Government for enhancement of the same with full and proper justifications.

(b) request for quotations.-

A procuring agency shall engage in this method of procurement only if the following conditions exist, namely:-

(i) the cost of object of procurement is below the prescribed limit of **one hundred thousand rupees:

**Provided that the respective Boards of Autonomous bodies are authorized to fix an appropriate limit for request for quotations method of procurement subject to a maximum of rupees five hundred thousand which will become financial limit under this sub-rule:

(ii) the object of the procurement has standard specifications;

(iii) minimum of three quotations have been obtained; and

(iv) the object of the procurement is purchased from the supplier offering the lowest price:

Provided that procuring agencies convinced of the inadequacy of the financial limit prescribed for request for quotations in undertaking their respective operations may approach the Federal Government for enhancement of the same with full and proper justifications;

(c) direct contracting.- A procuring agency shall only 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:

Provided that the same are not available from alternative sources;

(ii) only one manufacturer or supplier exists for the required procurement:

Provided that the procuring agencies shall specify the appropriate fora, which may authorize procurement of proprietary object after due diligence; and

- (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:

Provided that the contract or contracts do not exceed three years in duration;

- (iv) repeat orders not exceeding fifteen per cent of the original procurement;

- (v) in case of an emergency:

Provided that the procuring agencies shall specify appropriate forms vested with necessary authority to declare an emergency;

- *(vi) 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, and

- **(vii) for purchase of motor ***vehicle from local original manufacturers or their authorized agents at manufacturer's price.

- (d) negotiated tendering.- A procuring agency may engage in negotiated tendering with one or more suppliers or contractors with or without prior publication of a procurement notification. 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 technical or 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;

- (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.

43. On account payments.- All procuring agencies shall make prompt payments 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.

44. 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 the notice of the acceptance of the bid or purchase order has been given to the bidder whose bid has been accepted. Such notice of acceptance 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 fulfillment of a certain condition or conditions, the contract shall take effect from the date whereon such fulfillment takes place.

45. 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 over all delivery certificate or taking over certificate which shall be issued 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 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.

MAINTENANCE OF RECORD AND FREEDOM OF INFORMATION

46. 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.

47. 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:

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.

REDRESSAL OF GRIEVANCES AND SETTLEMENT OF DISPUTES

48. Redressal of grievances by the procuring agency.-

- (1) The procuring agency shall constitute a committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract.
- (2) Any bidder feeling aggrieved by any act of the procuring agency after the submission of his bid may lodge a written complaint concerning his grievances not later than fifteen days after the announcement of the bid evaluation report under rule 35.
- (3) The committee shall investigate and decide upon the complaint within fifteen days of the receipt of the complaint.
- (4) Mere fact of lodging of a complaint shall not warrant suspension of the procurement process.
- (5) Any bidder not satisfied with the decision of the committee of the procuring agency may lodge an appeal in the relevant court of jurisdiction.

49. Arbitration.-

(1) After coming into force of the procurement contracts, disputes between the parties to the contract shall be settled by arbitration.

(2) The procuring agencies shall provide for a method of arbitration in the procurement contract, not inconsistent with the laws of Pakistan.

50. Mis-procurement.-

Any unauthorized breach of these rules shall amount to mis-procurement.

51. Overriding effect.-

The provisions of these rules shall have effect notwithstanding anything to the contrary contained in any other rules concerning public procurements:

Provided that the prevailing rules and procedures will remain applicable only for the procurement of goods, services and works for which notice for invitation of bids had been issued prior to the commencement of these rules unless the procuring agency deems it appropriate to re-issue the notice for the said procurement after commencement of these rules.

**M – 302
REGISTERED No.
L.766**

**EXTRAORDINARY
PUBLISHED BY AUTHORITY**

ISLAMABAD, TUESDAY, SEPTEMBER 23, 2008

**GOVERNMENT OF PAKISTAN
(Cabinet Division)**

NOTIFICATION

Islamabad, the September 23, 2008

S.R.O.(1)/2008.— 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 direct that the following amendment shall be made in the Public Procurement rules 2004, namely:-

In the aforesaid rules: -

(a) in rule 10, for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: -

“Provided that this rule shall not apply to procurement made by public sector commercial concerns on the demand of private sector clients specifying, in writing, a particular brand, model or classification of equipment, machinery or other objects”, and

(b) in rule 42, clause (c), in sub-clause (vii), for the words “motor cars” the words “motor vehicle” shall be substituted.

Sd-
Muhammad Farooq
Section Officer (RA-III)

Public Procurement Regulations 2008

Islamabad, the 11th July, 2008

NOTIFICATION

S. R. O. 805(I)/2008. – In exercise of the powers conferred by section 27 of the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002), the Authority is pleased to make the following regulations, namely;–

1. Short title and commencement.– (1) These regulations may be called the Public Procurement Regulations, 2008.

(2) They shall come into force at once.

2. Definitions.– (1) In these regulations, unless there is any thing repugnant in the subject of context, –

(a) “Ordinance” means the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002); and

(b) “rules” means the Public Procurement Rules, 2004.

(2) The expression used but not defined herein shall have the same meaning as are assigned to them in Ordinance and rules.

3. Bidding documents.– A Procuring agency when engaged in procurement of works, shall use the standard form of bidding documents prescribed by the Pakistan Engineering Council constituted under the Pakistan Engineering Council Act, 1975 (V of 1976).

4. Record to be kept.– A Procuring agency shall keep the following record of the procurement proceedings for at least five years from the date of completion of procurement of contract or rejection of all bids under rules 33 of the rules, namely;–

(a) a brief description of the goods or works to be procured or of the procurement need for which the procuring agency requested proposal or offers;

(b) the names and addresses of suppliers or contractors that submitted bids, proposals, offers or quotations and name and address of supplier or contractor with whom the procurement contract is entered into and the contract price;

- (c) the names and address of suppliers or contractor who were pre-qualified or selected and invited to submit bids or technical proposals;
- (d) information related to the qualifications or disqualifications of suppliers or contractors who have submitted bids, proposals, offers or quotations;
- (e) the price or the basis for determining the price and a summary of the other terms and conditions of each bid, proposal, offer or quotation and procurement contract stipulated by the procuring agency;
- (f) evaluation report prepared under rule 35 of the rules, alongwith any reservation and preference under rule 24 *ibid*;
- (g) in case of rejection of bids pursuant to rule 33 of the rules, its complete record;
- (h) in case of any other method of procurement except open competitive bidding which does not culminate in procurement contract, a statement to that effect and the reasons thereof; and
- (i) a summary of any requests for clarification of the pre-qualification or solicitation documents, the response thereto, as well as a summary of any modification to those documents.

5. Obtaining the record.- (1) After acceptance of the bids or, as the case may be, termination of the procurement proceedings without resulting in a contract, any person may, on request, obtain the records referred to in clauses (a) and (c) of regulation 4.

(2) After acceptance of the bids or, as the case may be, termination of the procurement proceedings without resulting in a contract any person who submitted bids proposals, offers or quotations or applied for pre-qualification may obtain, on request, the records referred to in clauses (b), (d), (e), (f) and (g) of regulation 4.

(3) The record referred to in regulation 4 may also be made available within a reasonable time to the Auditor General of Pakistan or any authorized officer of the Authority or the Federal Government.

6. No liability to suppliers etc.- A procuring agency shall not be liable to suppliers or contractors for damages owing solely to a failure of keeping record of the procurement proceedings in accordance with these regulations.

7. *Posting of contract awards on PPRA's Website.- All procuring agencies whether within or outside Pakistan shall post Contract Awards over fifty

million rupees on PPRA's website on the proformas as set out in Annexure-I and Annexure-II to these regulations.

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

[F. No. 2/1/2008/PPRA-RA.III.]

MUHAMMAD FAROOQ,
Section Officer (RA-III)

ATTACHMENT – I

(See regulation 2)

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

CONTRACT AWARD PROFORMA – I

**To Be Filled And Uploaded on PPRA Website In
Respect of All Public Contracts of Works, Services and
Goods Worth Fifty Million or More**

- NAME OF THE ORGANIZATION/DEPTT. _____
- FEDERAL / PROVINCIAL GOVT. _____
- TITLE OF CONTRACT _____
- TENDER NUMBER _____
- BRIEF DESCRIPTION OF CONTRACT _____

- TENDER VALUE _____

- ENGINEER'S ESTIMATE _____
(for civil Works only)
- ESTIMATED COMPLETION PERIOD _____
- WHETHER THE PROCUREMENT WAS INCLUDED IN ANNUAL
PROCUREMENT PLAN? _____ Yes / No
- ADVERTISEMENT :
 - (i) PPRA Website _____ Yes / No
(Federal Agencies) (If yes give date and PPRA's tender
number)
 - (ii) News Papers _____ Yes / No
(If yes give names of newspapers and dates)
- TENDER OPENED ON (DATE & TIME) _____
- NATURE OF PURCHASE _____ Local / International
- EXTENSION IN DUE DATE (If any) _____ Yes / No

- NUMBER OF TENDER DOCUMENTS SOLD _____
(Attach list of Buyers)
- WHETHER QUALIFICATION CRITERIA WAS INCLUDED IN BIDDING/TENDER DOCUMENTS _____ Yes / No
(If yes enclose a copy).
- WHETHER BID EVALUATION CRITERIA WAS INCLUDED IN BIDDING/TENDER DOCUMENTS _____ Yes / No
(If yes enclose a copy).
- WHICH METHOD OF PROCUREMENT WAS USED: - (Tick one)
 - a) SINGLE STAGE – ONE ENVELOPE PROCEDURE _____
 - b) SINGLE STAGE - TWO ENVELOPE PROCEDURE. _____
 - c) TWO STAGE BIDDING PROCEDURE. _____
 - d) TWO STAGE – TWO ENVELOPE BIDDING PROCEDURE. _____
- PLEASE SPECIFY IF ANY OTHER METHOD OF PROCUREMENT WAS ADOPTED WITH BRIEF REASONS (i.e EMERGENCY, DIRECT CONTRACTING, NEGOTIATED TENDERING ETC.)
- WHO IS THE APPROVING AUTHORITY _____
- WHETHER APPROVAL OF COMPETENT AUTHORITY WAS OBTAINED FOR USING A METHOD OTHER THAN OPEN COMPETITIVE BIDDING.
- NUMBER OF BIDS RECEIVED _____
- WHETHER THE SUCCESSFUL BIDDER WAS LOWEST BIDDER _____ Yes / No
- WHETHER INTEGRITY PACT WAS SIGNED _____ Yes / No

ATTACHMENT – II
(See regulation 2)

PUBLIC PROCUREMENT REGULATORY
AUTHORITY (PPRA)

CONTRACT AWARD PROFORMA – II

**To Be Filled And Uploaded on PPRA Website In
Respect of All Public Contracts of Works, Services &
Goods Worth Fifty Million Rupees or More**

- NUMBER OF BIDDERS PRESENT AT THE TIME OF OPENING OF BIDS _____

- NAME AND ADDRESS OF THE SUCCESSFUL BIDDER _____

- RANKING OF SUCCESSFUL BIDDER IN EVALUATION REPORT (i.e. 1st, 2nd, 3rd EVALUATED BID).

- NEED ANALYSIS (Why the procurement was necessary?)

- IN CASE EXTENSION WAS MADE IN RESPONSE TIME, WHAT WERE THE REASONS (Briefly describe) _____

➤ WHETHER NAMES OF THE BIDDERS AND THEIR PRICES WERE READ OUT AT THE TIME OF OPENING OF BIDS _____ Yes / No

➤ DATE OF CONTRACT SIGNING

(Attach a copy of agreement)

➤ CONTRACT AWARD PRICE _____

➤ WHETHER COPY OF EVALUATION REPORT GIVEN TO ALL BIDDERS _____ Yes / No
(Attach copy of the bid evaluation report)

➤ ANY COMPLAINTS RECEIVED _____ Yes / No
(If yes result thereof)

➤ ANY DEVIATION FROM SPECIFICATIONS GIVEN IN THE TENDER NOTICE/DOCUMENTS _____ Yes / No
(If yes give details)

➤ DEVIATION FROM QUALIFICATION CRITERIA _____ Yes / No
(If yes give details)

➤ SPECIAL CONDITIONS, IF Any
(Give Brief Description)

**EXTRAORDINARY
PUBLISHED BY AUTHORITY**

ISLAMABAD, THURSDAY, DECEMBER 31, 2009

**PART-II
Statutory Notification (S.R.O)
Government of Pakistan
CABINET DIVISION
NOTIFICATION**

Islamabad, the 9th July, 2009

S.R.O.1170(I)/2009. - In exercise of the powers conferred by section 27 of the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002), the Public Procurement Regulatory Authority is pleased to make the following regulations, namely: -

- 1. Short title and commencement:-** (1) The regulations may be called the Public Procurement Regulations, 2009.
(2) They shall come into force at once.
- 2. Posting of Contract awards on PPRA's Website:** - All procuring agencies whether within or outside Pakistan shall post Contract Awards over fifty million rupees on PPRA's website on the proformas as set out in Annexure-I and Annexure-II to these regulations.

Provided that where any information is related to the award of a contract is of proprietary nature or whether the procuring agency is convinced that such disclosure of information shall be against the public interest, it can withhold only such information from uploading on PPRA's website subject to the prior approval of the Public Procurement Regulatory Authority.

[No.2/1/2008/PPRA-RA-III.]

**Muhammad Farooq
Section Officer (RA.III)**

PROCUREMENT OF CONSULTANCY SERVICES REGULATION, 2010

REGISTERED No.L.- 7646
M-302

The Gazette **of Pakistan**

EXTRAORDINARY
PUBLISHED BY AUTHORITY
ISLAMABAD, MONDAY, NOVEMBER 29, 2010

PART II
Statutory Notifications (S.R.O.)
GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
(Cabinet Division)
NOTIFICATION

Islamabad, the 26th November, 2010

S.R.O. 1077(I)/2010. -- In exercise of powers conferred by section 27 of the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002), the Public Procurement Regulatory Authority is pleased to make the following regulations, namely:-

1. **Short title and commencement.**- (1) These regulations may be called the Public Procurement Regulations for Procurement of Consultancy Services Regulations, 2010.
(2) They shall come into force at once.
2. **Definitions.**- (1) In these regulations, unless there is anything repugnant in the subject or context:-
 - (a) "bidding" means the formal procurement procedure under which sealed bids are invited, received, opened, examined and evaluated for the purpose of awarding a contract;
 - (b) "committee" means the Consultant Selection Committee of the procuring agency;
 - (c) "consultant" means an individual consultant or a consulting firm as the case may be;
 - (d) "consulting services" means the provision of independent expert advice of a quality at least equal to the applicable professional standards in relation to acquisition of goods, services, other than Consulting Services and works;
 - (e) "expression of interest" means to express willingness for undertaking a consultancy assignment by providing necessary information required by the procuring agency for consideration.

(f) "request for proposal" means set of bidding documents sent to short listed or interested Consultants and includes at least:-

- (i) letter of invitation;
- (ii) instructions to consultants;
- (iii) terms of reference;
- (iv) evaluation criteria; and
- (v) the proposed contract.

(2) The expressions used but not defined in these regulations shall have the same meanings as are assigned to them in the Public Procurement Regulatory Authority Ordinance, 2002 and Public Procurement Rules, 2004.

3. Methods for Selection of Consultants.- The method for selection of consultants shall be determined by the procuring agency prior to issuance of the request for proposals from prospective consultants. A procuring agency may utilize one of the following methods for selection of consultants, namely:-

A. (i) **Quality Based Selection.**- This method will be used for highly specialized and complex assignments, where quality is the only factor taken into consideration;

Provided that any procuring agency desirous of using quality based selection as a method of procurement shall record its reasons and justifications in writing for resorting to this method and shall place the same on record; and

(ii) **Procedures for Selection under the quality based selection ---**

- (a) a request for expression of interest as laid down under regulation 5 is advertised to invite interested applicants or firms to contest;
- (b) a request for proposals shall be prepared and sent to short listed consultants selected following the laid down criteria;
- (c) the evaluation of proposals shall be carried out in two stages in the following manner, namely:-
 - (i) the technical proposals shall be evaluated and the procuring agency may discuss technical details, if it may deem necessary;
 - (ii) the financial proposals of technically responsive or highest ranked proposal only shall be opened in the presence of the applicants or their representatives who may wish to attend the opening session; and
 - (iii) highest ranked proposal is accepted, if it suits to the procuring agency in all respects.

B. (i) **Quality and Cost Based Selection.** --- This method will be used where high quality is the prime consideration while cost is a secondary consideration; and

(ii) **Procedures for Selection under the quality and cost based Selection.---**

- (a) a request for expression of Interest as laid down in regulation 5 is advertised to invite interested applicants or firms to contest;
- (b) a request for proposals shall be prepared and sent to short listed consultants selected following the laid down criteria; and;
- (c) the evaluation of proposals shall be carried out in two stages in the following manner, namely:-

- (i) the technical proposals shall be evaluated and the procuring agency may discuss technical details, if it may deem necessary;
- (ii) the financial proposals of technically responsive proposals shall be opened in the presence of the applicants or their representatives who may wish to attend the opening session; and
- (iii) a combined evaluation of technical and financial proposals shall follow and the applicant with the winning proposal will be accepted.

C. (i) Least cost.- This method will only be used for assignments of standard or routine nature, where well established practices and standards exist;

- (ii) **Procedures for selection under least cost selection.** ----- (a) following evaluation of technical proposals and opening of financial proposals, the applicant offering the lowest evaluated price shall be selected for discussions on technical issues if deemed necessary; and
- (b) under this method proposals passing the technical score threshold shall then be treated equally and evaluated on the basis of cost only;

D (i) Single source or direct selection.-- This method will be used only in exceptional cases, where it provides clear advantage over competition in following cases (only), namely:-

- a. for tasks which are natural continuation of previous assignment and where continuity of technical services is unavoidable;
- b. repeat orders as provided under sub-clause (iv) of clause (c) of rule 42 of Public Procurement Rules, 2004;
- c. in cases of emergency as provided under sub-clause (v) of clause (c) of rule 42 of Public Procurement Rules, 2004; and
- d. where only one consultant is qualified or has experience of exceptional worth with reference to clause (c) or (d) of rule 42 of the Public Procurement Rules, 2004; and

(ii) Procedures for selection under single source selection ---

- a. the justification for single source selection method shall be examined in the context of the overall interests of the procuring agency to ensure economy and efficiency and provide equal opportunity to all eligible consultants, therefore, the decision to use single source selection method shall be approved in writing by the Principal Accounting Officer, concerned on recommendation by a Committee; and
- b. the request for proposals or TOR, as the case may be, and shall be issued to the selected consultant and the selected consultant shall be requested to submit a technical and financial proposal upon the receipt of which discussions shall be held between the proposal evaluation committee and the selected consultant and all aspects of its proposal, whether technical or financial, shall be discussed together in order to reach an agreement /contract etc; and

E. (i) Fixed budget.- This method shall be used only when the assignment is simple, can be precisely defined and when the budget is fixed. The request for proposals shall indicate the available budget. Proposals that exceed the indicated budget shall be rejected. The ranking shall be based only on evaluation of technical proposals of the qualified bidders.

(ii) Procedures for selection under fixed budget.---- The Procedures to be followed for the selection under fixed budget method shall be the same as for the quality and cost based method, with the following exceptions, namely;

- (a) the request for proposals shall indicate the available budget including taxes and ask the applicants to provide, in separate envelopes, their best technical and financial proposals within the budget;
- (b) the terms of reference shall be as complete as possible to make sure that the budget is sufficient for the consultants to perform the expected tasks;
- (c) the request for proposals shall require the applicants to provide breakdowns of their costs for the different activities with a provision that applicants who decline to provide the breakdown may risk the rejection of their proposals; and
- (d) the request for proposals shall state that, following opening of proposals, all proposals that exceed the indicated budget shall be rejected and the applicant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to discuss further details for concluding the contract.

4. Criteria for eligibility of consultants.- The procuring agency shall not hire a consultant for an assignment in which there is possibility of conflict of interest. If a consultant has been engaged by the procuring agency to provide goods or works for a project, it shall be disqualified from providing consulting services for the same project. Similarly, a consultant should not be hired for any assignment which by its nature, may be in conflict with another assignment of that consultant.

5. Expression of interest.- (1) A request for expression of interest shall be advertised by giving applicants at least fifteen calendar days for national competition and thirty calendar days for international competition to submit their interest to provide consultancy services.

(2) The expression of interest shall contain at least the following information, namely:-

- a. The name and address of procuring agency;
- b. An appropriate description of the assignment providing scope of the intellectual and professional services required;
- c. Deadline and place of the submission of the expression of interest; and
- d. Evaluation criteria required to be followed.

6. Criteria for short-listing of consultants.- (1) Whenever short listing is deemed necessary, the procuring agency shall predetermine a criteria for short listing. Except for single source, there will normally be a minimum of three consultants in the shortlist, but there is no upper limit for number of candidates to be short listed. However, if less than three candidates apply, their proposals may be considered on merit.

(2) The procuring agency while engaged in short listing of consultants will take into consideration the following factors, namely:-

- (i) Qualification;
- (ii) Experience;
- (iii) Any other factor that a procuring agency may deem relevant, not inconsistent with these regulations or Public Procurement Rules, 2004.

(3) All applicants shall be informed whether or not they have been short listed.

(7) Criteria for prequalification of consultants.- (1) Whether short listing is done or not, the procuring agency may engage in prequalification of consultants in case of complex assignments.

(2) The procuring agency while engaged in prequalification of consultants will take into consideration the following factors, namely:-

- (i) Qualification;

- (ii) General experience;
- (iii) Specific experience;
- (iv) Past performance; and
- (v) Any other factor that a procuring agency may deem relevant, not inconsistent with these regulations or Public Procurement Rules, 2004.

8. Request for proposals.- (1) The procuring agency shall use a request for proposals for seeking proposals from the consultants whether short listed or prequalified or not which shall include the following, namely:-

- (a) **Letter of Invitation.-** The letter of invitation shall mention the name and address of the procuring agency and shall state the intention of the procuring agency to enter into a contract for provision of consulting services.
- (b) **Instruction to consultants.-** The instructions to consultants shall contain all necessary information that would help them prepare responsive proposals and shall bring as much transparency as possible to the selection system.
- (c) **Terms of reference.-** Terms of reference shall unambiguously define the objectives, goals and scope of the assignment besides conditions of contract. Terms of reference shall list the services and surveys necessary to carry out the assignment and expected outputs.
- (d) **Evaluation criteria.-** Except as otherwise provided, the evaluation of proposals shall be carried out giving due consideration to quality and cost.
- (e) **Type of contract.-** The procuring agency, depending on the circumstances, may use one of the following types of contract, namely:-
 - (i) lump sum contract will be used mainly for assignments in which the content, duration of the services and the required output are unambiguously defined;
 - (ii) time based contract will be used when it is difficult to define the scope and the length of services;
 - (iii) hourly or daily rates will be used for small projects, especially when the assignment is for less than a month; and
 - (iv) any other contract based on combination of the above and including out of pocket expenses, where required.
- (f) **Proposed contract format.-** The procuring agencies should propose a draft specimen contract to be entered into with the successful bidder.
- (g) **Special Provisions.-** The procuring agency may specify any other requirement related to the assignment or contract etc. where required.

(2) The procuring agency will invite the prospective consultants to submit their technical and financial proposals in separately sealed envelopes. The procuring agency shall give deadline for submission of proposals. Consultants shall be given adequate time to prepare their proposals which shall be in accordance with response time stipulated under rule 13 of the Public Procurement Rules, 2004.

9. Selection Committee.- (1) The procuring agency shall appoint Committee for short listing and selection of consultant. The Committee shall comprise of at least three competent relevant persons to evaluate the consultants as per evaluation criteria. In case of non-availability of in-house expertise the procuring agency may engage outside appropriate sources.

(2) The Committee shall advise on short listing and prequalification of consultants.

(3) Except for single source selection, the Committee shall evaluate the request for proposals in accordance with clause (b) of rule 36 of the Public Procurement Rules, 2004.

(4) The bidder whose technical and financial proposal is the most advantageous shall be ranked highest and his bid accepted:

Provided that adjustments in the main days of various level of professionals etc. may be negotiated, as per requirement if deemed necessary, without any price or rate negotiations.

10. Extent of negotiations or discussions.- The Committee of the procuring agency may negotiate, the Committee may invite the next ranked bidder for such negotiations or discussions. Negotiations with the highest ranked bidder regarding methodology, work plan, staffing and special conditions of the contract. The Committee shall not permit substitution of key staff, unless both parties agree that undue delay in selection process makes such substitution unavoidable. In case of failure of negotiations with highest ranked bidders are to be carried out by committee and its minutes shall be recorded. Negotiations by a single person Committee shall never be allowed:

Provided that negotiations shall not seek changes in the rates quoted by the bidder in accordance with restriction imposed on financial negotiations under Rule 40 of the Public Procurement Rules, 2004.

11. Professional liability of consultants.- (1) The consultant selected and awarded a contract shall be liable for consequence of errors or omissions on its part. The extent of liability of the consultant should be incorporated in the contract and in no case should it be less than remunerations excluding the out of pocket expenses, nor should the liability exceed twice the remunerations.

(2) The procuring agency may demand insurance on part of the consultant to cover its liability under sub-regulation (I) and necessary costs shall be borne by the consultant which shall be reimbursed by the procuring agency as out of pocket expenses by the consultant.

(3) The Consultant shall be held liable for all losses or damages suffered by the procuring agency on account of any misconduct and unsatisfactory performance by the Consultant in performing the consulting services.

12. Inconsistency.- The Public Procurement Rules, 2004 and these regulations are to be taken as mutually explanatory of one another but in case of inconsistency, the Public Procurement Rules, 2004 shall take precedence over these regulations.

[F. No.2/1/2009/PPRA-RA.III.]

MUHAMMAD FAROOQ
Section Officer (RA-III)

ANNEX-VII

Islamabad, the 18th July, 2011

NOTIFICATION

S.R.O 719(I)/2011. – In exercise of the powers conferred by section 27 of the Public Procurement Regulatory Authority Ordinance, 2002 (No. XXII of 2002), the Public Procurement Authority is pleased to make the following regulation, namely:–

1. Short title and commencement. – (1) The regulations may be called the Public Procurement Regulations, 2011.

2. They shall come into force at once

3. International and inter-governmental commitments of Federal Government.–

“Whenever a sponsoring Ministry/Division is of the view that prospective procurement are required to be made by invoking rule-5 of public Procurement Rules, 2004, it shall bring a case to the ECC after undertaking due consultations with the stakeholder Ministries/Divisions/Departments etc. as prescribed in the Rules of Business, 1973. The ECC shall consider such case(s) and authorize, or otherwise the sponsoring Ministry/Division whether or not to proceed in terms of rule-5 of the Public Procurement Rules, 2004”.

[No. 2/1/2010-RA-III/PPRA.]

MALIK MOHAMMAD USMAN.

Section officer (RA-III)

Agencies Monitored During Financial Years 2009-12

S. #	Department Name
1	108 Ordnance Unit
2	118 EME Battalion
3	137 Medical Battalion
4	17 Military Dental Centre
5	178 Petroleum Storage Platoon
6	3 Technical Training Battalion EME Centre
7	301 Spares Depot EME
8	302 Spares Depot EME
9	303 Spares Depot EME
10	304 Spares Depot EME
11	305 Spares Depot EME
12	306 Spares Depot EME
13	4 Technical Training Battalion EME Centre
14	44 EME Battalion
15	47 EME Battalion
16	501 Central Workshop EME Chaklala
17	502 Central Workshop EME
18	503 Aviation Base Workshop EME
19	505 Electronics Base Workshop EME
20	509 Electronics Base Workshop EME
21	544 HY EME Bn
22	546 EME Battalion
23	58 EME Battalion
24	59 EME Battalion
25	602 Regional Workshop EME
26	603 Base Workshop EME
27	604 Air Conditioning Combined Workshop EME
28	605 Regional Workshop EME
29	607 Regional Workshop EME
30	608 Regional Workshop EME
31	609 Regional Workshop EME
32	62 Military Dental Centre
33	66 Medical Battalion
34	70 EME Battalion
35	701 Regional Workshop EME
36	77 Medical Battalion
37	78 Military Dental Centre
38	85 Military Dental Centre
39	87 Ordnance Unit
40	94 EME Battalion
41	95 Electrical and Mechanical Engineers Battalion
42	Academy of Educational Planning and Management
43	Accountant General of Pakistan Revenues
44	Agriculture Policy Institute

45	108 Ordnance Unit
46	118 EME Battalion
47	137 Medical Battalion
48	17 Military Dental Centre
49	178 Petroleum Storage Platoon
50	Agriculture Prices Commission
51	Aik Hunar Aik Nagar (AHAN)
52	Air University
53	Airports Security Force
54	Aiwan-e-Iqbal Complex
55	Allama Iqbal Open University
56	Alternative Energy Development Board
57	Ammunition Depot
58	Anti Dumping Appellate Tribunal
59	Anti Narcotics Force
60	Archaeological Department and Museum
61	Armed Forces Institute of Cardiology (AFIC)
62	Armed Forces Institute Of Dentistry
63	Armed Forces Institute of Ophthalmology
64	Armed Forces Institute of Rehabilitation Medicine (AFIRM)
65	Armed Forces Institute Of Transfusion (AFIT)
66	Armed Forces Institute Of Urology (AFIU)
67	Army Aviation Engineering School EME
68	Army Cardiac Centre
69	Army Medical College
70	Army Stores Inspection Depot
71	Associated Press of Pakistan Corporation
72	Attorney General for Pakistan
73	Auditor General Of Pakistan
74	Aviation Spare Depot EME
75	Bahria College
76	Bahria University
77	Benazir Income Support Programme (BISP)
78	Board of Investment
79	Bureau of Emigration and Overseas Employment
80	Cabinet Division
81	Cadet College (Army)
82	Canteen Stores Department (CSD)
83	Caronment Board
84	Capital Development Authority
85	Carrier Telephone Industries
86	CEME 11 Div, 50 EME
87	CEME 16 Div, 55 EME
88	CEME 17 Div, 90 EME
89	CEME 2 Artillery Div
90	CEME 2 Corps
91	CEME 23 Div, 60 EME Battalion
92	CEME 26 Mech Div
93	CEME 37 Div, 91 EME Battalion
94	CEME 4 AD Div
95	CEME 45 Engr Div
96	CEME 5 Corps
97	CEME 6 Armd Div
98	CEME 8 Div

99	CEME HQ 30 Corps
100	Central Ammunition Depot
101	Central Aviation Spares Depot (CASD)
102	Central Directorate of Mines
103	Central Directorate of National Savings
104	Central Ordnance Depot
105	Centre for Nuclear Medicine and Radiotherapy (CENAR)
106	Chief Commissioner Office
107	Civil Aviation Authority
108	Civil Defence Department ICT
109	Civil Services Academy
110	Collectorate of Customs, Custom House
111	Collectorate of Sales Tax and Federal Excise
112	College of E&ME
113	Combined Military Hospital
114	Competition Commission of Pakistan
115	Composite Ordnance Depot
116	COMSATS
117	Controller General of Accounts
118	Controller Military Accounts
119	Council for Works and Housing Research
120	Council of Islamic Ideology
121	Customs and Excise
122	Dawood College of Engineering and Technology
123	Decentralization Support Program
124	Defence Housing Authority (DHA)
125	Department of Communication Security
126	Department of Libraries
127	Department of Stationery and Forms
128	Department of Tourist Services
129	Development of Explosives
130	Devolution Trust for Community Empowerment
131	Director General Audit Defence Services
132	Director General Audit District Govt Punjab (South)
133	Director General of Training & Research
134	Director General Regional Tax Office
135	Director General Works And Cheif Engineer (Army)
136	Director Works and Cheif Engineer (PAF)
137	Directorate General Audit Federal Govt
138	Directorate General Immigration & Passport
139	Directorate General Intelligence and Investigation (Inland Revenue)
140	Directorate General Intelligence and Investigation Customs and Excise
141	Directorate General Intelligence and Investigation-FBR
142	Directorate General Munitions Production (Navy)
143	Directorate General of Films and Publications
144	Directorate General of Special Education
145	Directorate General Procurement (Army)
146	Directorate of Central Health Establishments
147	Directorate of Customs Post Clearance Audit
148	Directorate of Foreign Audit
149	Directorate of General Defence Purchase
150	Directorate of Indigenous Technical Development (DITD)
151	Directorate of Submarine Rebuild Complex
152	Directorate of Trade Organizations

153	Directorate of Workers Education (HQs)
154	District Government
155	Earthquake Reconstruction and Rehabilitation Authority (ERRA)
156	Economic Affairs Division
157	Election Commission of Pakistan
158	Electronic Government Directorate (EGD)
159	EME 17 Div, 90 Battalion
160	EME Branch Quetta Logistic Area
161	EME HQ Logistic Area
162	Employees Old-Age Benefits Institution
163	ENERCON
164	Engineer Stores Depot (ESD)
165	Engineering Development Board
166	Establishment Division
167	Evacuee Trust Board
168	Excise and Taxation Department
169	Expanded Programme on Immunization
170	Export Processing Zones Authority
171	Faisalabad Electric Supply Company (FESCO)
172	FATA Secretariat
173	Federal Board of Intermediate and Secondary Education
174	Federal Board of Revenue (FBR)
175	Federal Bureau of Statistics
176	Federal College of Education
177	Federal Department of Population
178	Federal Directorate of Education
179	Federal Drugs Surveillance Laboratory
180	Federal Employees Benevolent and Group Insurance Fund
181	Federal Government Employees Housing Foundation
182	Federal Government Services Hospital
183	Federal Investigation Agency
184	Federal Judicial Academy
185	Federal Land Commission
186	Federal Ombudsman Secretariat
187	Federal Public Service Commission
188	Federal Seed Certification and Registration Department
189	Federal Service Tribunal
190	Federal Shariat Court
191	Federal Tax Ombudsman Secretariat
192	Federal Urdu University of Arts Science and Technology
193	Finance Division (Military)
194	First Women Bank Ltd
195	Fisheries Development Board
196	Frequency Allocation Board
197	Frontier Works Organization (FWO)
198	FTC Management Company (Pvt) Limited (FMCL)
199	General Headquarters (Army)
200	General Headquarters Quarter Master General Branch
201	Geological Survey of Pakistan
202	Geoscientific Research Institute
203	Gilgit Baltistan Secretariat
204	Government Holdings (Pvt) Limited
205	Government Polytechnic Institute for Women
206	Gujranwala Electric Power Company Limited

207	Gujranwala Tool Dies and Moulds Center
208	Gwadar Port Authority
209	Hazara Phosphate Fertilizer (Pvt) Limited
210	Health Employees Cooperative Housing Society
211	Health Services Academy
212	Heavy Electrical Complex
213	Heavy Industries Taxila (HIT)
214	Heavy Mechanical Complex
215	Heavy Mechanical Complex-3
216	HEC Degree Awarding Universities
217	Higher Education Commission
218	House Building Finance Corporation
219	HQ 3 Air Defence Division (CEME 3 AD Div)
220	HQ Army Air Defence Command
221	HQ Army Strategic Force Command (CEME ASFC)
222	HQ CEME 12 Division
223	HQ EME Centre
224	HQ Logistic Area
225	HQ Strategic Force North (CEME HQ SFN)
226	Human Organs Transplant Authority (HOTA)
227	Hyderabad Electric Supply Company (HESCO)
228	Hydrocarbon Development Institute of Pakistan
229	Income Tax Appellate Tribunal
230	Indus River System Authority (IRSA)
231	Industrial Development Bank of Pakistan (IDBP)
232	Information Services Academy
233	Institute of Cost and Management Accounts of Pakistan
234	Institute of Management Sciences
235	Institute of Nuclear Medicine and Oncology (INMOL)
236	Institute of Nuclear Medicine, Oncology and Radiotherapy (INOR)
237	Institute of Space Technology
238	Institute of Strategic Studies
239	Intellectual Property Organization of Pakistan
240	Intelligence Bureau
241	Inter Board Committee of Chairmen
242	Inter State Gas Systems (Pvt) Limited
243	International Islamic University
244	Islamabad Electric Supply Company (IESCO)
245	Islamabad High Court
246	Islamabad Police
247	Jamshoro Power Company Limited
248	Javedan Cement Limited
249	Jinnah Post Graduate Medical Center
250	Karachi Electric Supply Company Ltd.
251	Karachi Institute of Radiotherapy and Nuclear Medicine (KIRAN)
252	Karachi International Container Terminal Limited
253	Karachi Nuclear Power Complex
254	Karachi Nuclear Power Project-2 (K-2)
255	Karachi Port Trust
256	Karachi Shipyard and Engineering Works Ltd
257	Karachi Tools, Dies and Moulds Centre (KTDMC)
258	Karakoram International University
259	Khushhali Bank
260	Kohat University of Science and Technology

261	Lahore Electric Supply Company (LESCO)
262	Lahore University of Management Sciences (LUMS)
263	Lakhra Power Generation Company Limited
264	Lasbela Industrial Estate Development Authority
265	Law and Justice Commission of Pakistan
266	Law, Justice and Human Rights Division
267	Marine Fisheries Department
268	Maritime Security Agency
269	Military Accountant General
270	Military Engineering Services (Airforce)
271	Military Engineering Services (Army)
272	Military Engineering Services (Navy)
273	Military Hospital
274	Ministry of Capital Administration & Development
275	Ministry of Commerce
276	Ministry of Communications
277	Ministry of Culture
278	Ministry of Defence
279	Ministry of Defence Production
280	Ministry of Defence Production (ARDE)
281	Ministry of Defence Production (DGDP)
282	Ministry of Defence Production (DP-Air)
283	Ministry of Defence Production (DP-Navy)
284	Ministry of Education
285	Ministry of Environment
286	Ministry of Finance
287	Ministry of Food and Agriculture
288	Ministry of Foreign Affairs
289	Ministry of Health
290	Ministry of Housing and Works
291	Ministry of Human Resource Development
292	Ministry of Human Rights
293	Ministry of Industries
294	Ministry of Information and Broadcasting
295	Ministry of Inter Provincial Coordination (IPC Division)
296	Ministry of Interior
297	Ministry of Investment
298	Ministry of IT and TeleCommunication
299	Ministry of Kashmir Affairs and Gilgit-Baltistan
300	Ministry of Labour and Manpower
301	Ministry of Law, Justice and Parliamentary Affairs
302	Ministry of Livestock and Dairy Development
303	Ministry of Local Goverment and Rural Development
304	Ministry of Minorities Affairs
305	Ministry of Narcotics Control
306	Ministry of National Food Security and Research
307	Ministry of National Harmony
308	Ministry of National Heritage and Integration
309	Ministry of Overseas Pakistanis
310	Ministry of Parliamentary Affairs
311	Ministry of Petroleum and Natural Resources
312	Ministry of Population Welfare
313	Ministry of Ports and Shipping
314	Ministry of Postal Services

315	Ministry Of Privatisation
316	Ministry of Privatization (Privatization Division)
317	Ministry of Production
318	Ministry of Professional and Technical Training
319	Ministry of Religious Affairs
320	Ministry of Science and Technology
321	Ministry of Social Welfare and Special Education
322	Ministry of Special Initiatives
323	Ministry of Sports
324	Ministry of States and Frontier Regions (SAFRON)
325	Ministry of Textile Industry
326	Ministry of Tourism
327	Ministry of Water and Power
328	Ministry of Women Development
329	Ministry of Youth Affairs
330	Ministry of Zakat and Ushr
331	Monopoly Control Authority
332	Multan Electric Power Company (MEPCO)
333	National Accountability Bureau
334	National Agricultural Research Centre
335	National Aliens Registration Authority
336	National Archives of Pakistan
337	National Assembly Secretariat
338	National Bank of Pakistan
339	National Book Foundation
340	National Center for Physics
341	National College of Arts
342	National Commission for Human Development (NCHD)
343	National Commission on the Status of Women
344	National Construction Limited
345	National Council for Conservation of Wildlife (NCCW)
346	National Council for Homeopathy
347	National Council For TIBB
348	National Council of Social Welfare
349	National Database and Registration Authority NADRA
350	National Defence University
351	National Disaster Management Authority(NDMA)
352	National Education Foundation
353	National Educational Equipment Centre
354	National Electric Power Regulatory Authority (NEPRA)
355	National Engineering Services Pakistan (NESPAK)
356	National Fertilizer Corporation
357	National Fertilizer Development Centre
358	National Highway and Motorway Police (NHMP)
359	National Highway Authority (NHA)
360	National Industrial Parks
361	National Industrial Relations Commission
362	National institute For Biotechnology And Genetic Engineering (NIBGE)
363	National Institute of Banking and Finance (NIBAF)
364	National Institute of Cardiovascular Diseases
365	National Institute of Child Health (NICH)
366	National Institute of Electronics
367	National Institute of Folk and Traditional Heritage
368	National Institute of Health (NIH)

369	National Institute Of Heart Disease
370	National Institute of Management
371	National Institute of Oceanography
372	National Institute of Population Studies
373	National Institute of Psychology
374	National Institute of Public Administration (NIPA)
375	National Institute of Rehabilitation Medicine
376	National Institute of Science and Technical Educational
377	National Institute of Vacum Science and Technology
378	National Insurance Company Limited
379	National Investment Trust Limited (NIT)
380	National Language Authority
381	National Library of Pakistan
382	National Logistics Cell (NLC)
383	National Maternal, Newborn and Child Health Program
384	National Memorial Museum
385	National Museum of Science and Technology
386	National Physical and Standards Laboraty
387	National Police Academy
388	National Police Bureau
389	National Police Foundation
390	National Press Trust
391	National Productivity Organization (NPO)
392	National Program for Hepatitis Prevention and Control
393	National Programme for FP and PHC
394	National Programme for Prevention and Control of Blindness
395	National Radio Tele Communication Corporation
396	National Reconstruction Bureau
397	National School of Public Policy
398	National Security Council Secretariat
399	National Talent Pool
400	National Tariff Commission
401	National TB Control Program
402	National Tea Research Institute
403	National Telecommunication Corporation (NTC)
404	National Testing Service
405	National Textile University
406	National Training Bureau
407	National Transmission and Despatch Company
408	National Transport Research Center
409	National Trust For Population Welfare (NATPOW)
410	National Trust for Disabled
411	National University of Modern Languages
412	National University of Science and Technology
413	National Vocational and Technical Education Commission (NAVTEC)
414	National Volunteer Movement
415	Northern Areas Transport Corporation (NATCO)
416	Nuclear Institute for Agriculture and Biology (NIAB)
417	Nuclear Institute for Food & Agriculture (NIFA)
418	Nuclear Institute of Medicine and Radiotherapy (NIMRA)
419	Nuclear Medicine, Oncology and Radiotherapy Institute (NORI)
420	Office of Chief Commissioner for Afghan Refugees
421	Office of State Property Jammu and Kashmir
422	Oil and Gas Development Company Limited

423	Oil and Gas Regulatory Authority (OGRA)
424	Ordnance Depot
425	Ordnance School
426	Ordnance Services 10 Div
427	Ordnance Services 37 Div
428	Ordnance Services Force Command
429	Overseas Employment Corporation
430	Overseas Pakistanis Foundation
431	Overseas Pakistanis Pension Trust
432	Pak Arab Pipeline Co. Limited
433	Pak Arab Refinery Limited
434	Pak. Telecomm Mobile Company
435	Pakistan Academy of Letters (PAL)
436	Pakistan Academy of Sciences
437	Pakistan Aeronautical Complex
438	Pakistan Agricultural Storage and Services Corporation (PASSCO)
439	Pakistan Agriculture Research Council
440	Pakistan Airforce
441	Pakistan Atomic Energy Commission
442	Pakistan Bait-ul-Mal
443	Pakistan Broadcasting Corporation
444	Pakistan Chemical and Energy Sector Skill Development Company
445	Pakistan Coast Guards
446	Pakistan Computer Bureau
447	Pakistan Cotton Standards Institute
448	Pakistan Council for Science and Technology
449	Pakistan Council of Renewable Energy Technologies
450	Pakistan Council of Research in Water Resources
451	Pakistan Council of Scientific and Industrial Research
452	Pakistan Cricket Board
453	Pakistan Electronic Media Regulatory Authority (PEMRA)
454	Pakistan Engineering Company Ltd
455	Pakistan Engineering Council
456	Pakistan Environmental Planning and Architectural Consultants Limited
457	Pakistan Environmental Protection Agency
458	Pakistan Forest Institute
459	Pakistan Gems and Jewellery Development Company
460	Pakistan Hockey Federation (PHF)
461	Pakistan Horticulture Development and Export Company
462	Pakistan Housing Authority
463	Pakistan Hunting and Sporting Arms Development Company
464	Pakistan Industrial Development Corporation
465	Pakistan Industrial Technical Assistance Centre (PITAC)
466	Pakistan Initiative for Mothers and Newborns
467	Pakistan Institute of Development Economics (PIDE)
468	Pakistan Institute of Engineering and Applied Sciences (PIEAS)
469	Pakistan Institute of Fashion and Design
470	Pakistan Institute of Medical Sciences(PIMS)
471	Pakistan Institute of Nuclear Science and Technology (PINSTECH)
472	Pakistan Institute of Technology for Minerals and Advanced Engineering Materials
473	Pakistan Institute of Trade and Development
474	Pakistan International Airline (PIA)
475	Pakistan Machine Tool Factory (PVT) Limited

476	Pakistan Manpower Institute
477	Pakistan Marine Academy
478	Pakistan Medical and Dental Council
479	Pakistan Medical Research Council
480	Pakistan Meteorological Department
481	Pakistan Mineral Development Corporation(PMDC)
482	Pakistan MINT
483	Pakistan Museum of Natural History
484	Pakistan National Accreditation Council
485	Pakistan National Commission for UNESCO
486	Pakistan National Council of the Arts
487	Pakistan National Shipping Corporation (PNSC)
488	Pakistan Navy
489	Pakistan Nuclear Regulatory Authority
490	Pakistan Nursing Council
491	Pakistan Oil Seeds Development Board
492	Pakistan Oilfields Ltd
493	Pakistan Ordnance Factories
494	Pakistan Petroleum Limited
495	Pakistan Post Office
496	Pakistan Poverty Alleviation Fund
497	Pakistan Public Administration Research Centre
498	Pakistan Public Works Department
499	Pakistan Railways
500	Pakistan Rangers
501	Pakistan Real Estate Investment and Management Company (Pvt.) Ltd
502	Pakistan Reinsurance Company Limited
503	Pakistan Revenue Automation (Pvt) LTD.
504	Pakistan Science Foundation
505	Pakistan Scientific and Technological Information Centre (PASTIC)
506	Pakistan Security Printing (PSP)
507	Pakistan Software Export Board
508	Pakistan Sports Board
509	Pakistan Sports Complex
510	Pakistan Standards and Quality Control Authority
511	Pakistan State Oil
512	Pakistan Steel
513	Pakistan Stone Development Company (PASDEC)
514	Pakistan Telecommunication Authority
515	Pakistan Telecommunication Company Ltd
516	Pakistan Telecommunication Employees Trust
517	Pakistan Television Corporation Limited
518	Pakistan Tobacco Board
519	Pakistan Tourism Development Corporation (PTDC)
520	Peshawar Electric Supply Company (PESCO)
521	Petroleum Oil and Lubricants Depot
522	Planning and Development Division
523	Population Census Organization
524	Port Qasim Authority (PQA)
525	Postal Life Insurance
526	Power Plant Workshops
527	President's Secretariat (Personal)
528	President's Secretariat (Public)
529	Press Information Department

530	Prime Minister Secretariat
531	Prime Minister's Inspection Commission
532	Prime Minister's Secretariat (Internal)
533	Prime Minister's Secretariat (Public)
534	Printing Corporation of Pakistan (PCP)
535	Private Power and Infrastructure Board (PPIB)
536	Privatization Commission
537	Provincial Disaster Management Authority
538	Public Procurement Regulatory Authority
539	Public Sector Organization
540	Punjab Institute of Nuclear Medicine
541	Quaid-e-Azam Library
542	Quaid-e-Azam Mazar Management Board (QMMB)
543	Quaid-i-Azam University
544	Quetta Electric Supply Company (QESCO)
545	SAARC Energy Centre
546	Saf Games Secretariat
547	Securities and Exchange Commission
548	Security Papers Limited
549	Senate Secretariat
550	Shaikh Zayed Hospital
551	Shalimar Recording and Broadcasting Company Limited
552	Sindh Madressatul Islam
553	Small Dams Organization
554	Small Medium Enterprise Development Authority (SMEDA)
555	Special Communications Organization
556	Specialized Machinery Complex (SMC)
557	State Bank of Pakistan
558	State Engineering Corporation (SEC)
559	State Enterprises Display Centre
560	State Life Insurance Corporation of Pakistan
561	States and Frontier Region Division
562	Station Workshop EME
563	Statistics Division
564	Sui Northern Gas Pipelines Limited
565	Sui Southern Gas Company Limited
566	Sukkur Electric Power Company (SEPCO)
567	Sukkur Institute of Business Administration
568	SUPARCO
569	Supreme Court of Pakistan
570	Survey of Pakistan
571	Technical Panel on Teacher Education
572	Technology Up-Gradation and Skill Development Company (TUSDEC)
573	Telecom Foundation
574	Telephone Industries of Pakistan
575	Trade Development Authority of Pakistan
576	Trading Corporation of Pakistan (TCP)
577	Tribal Electric Supply Company (TESCO)
578	United Nations Development Programme (UNDP)
579	Universal Services Fund Company
580	Urdu Dictionary Board
581	Urdu Science Board
582	Utility Stores Corporation of Pakistan
583	Virtual University of Pakistan

584	Wafaqi Mohtasib (Ombudsman) Secretariat
585	Wah Industries Limited
586	Water and Power Development Authority (WAPDA)
587	Water and Sanitation Agency (WASA)
588	Workers Welfare Fund
589	Zarai Taraqiati Bank Ltd (ZTBL)
590	Zoological Survey Department (ZSD)

Annexure – IX

Black Listed Firms

In term of Rule 19 of Public Procurement Rules, 2004, following (firms / contractors) were blacklisted after fulfillment of prescribed criteria. The list is available on PPRA website.

No	Name of Procurement Agency	Firm Name	Address	From	To	Reasons
1	Pakistan Petroleum Limited	M/S JS Air	Suit No. 403, Trade Tower Abdullad Haroon Road Karachi	29-06-2012	-	Consistent failure to Provide Satisfactory Fight Services.
2	Pakistan State Oil (PSO)	M/S FAL Oil Company Ltd	P.O Box No. 5600, Sharjah United Arab Emirates (UAE)	20-10-2011	-	Delay/Non Performance in Delivery of Fuel Oil Cargo
3	Institute of Space Technology, Islamabad	M/S Trends International	Suite No. 5, 2nd Floor, Waqar Centre Canning Road, Saddar Rawalpindi Cantt.	08-07-2010	-	Non Satisfactory Execution of Purchase Order.
4	Special Communication Organization (SCO)	M/S AY Engineering Solution & Services (Pvt) Ltd	House No. 7-A Park Road, Sector F8/1, Islamabad	29-04-2010	-	While Providing Equipments/Services to the SCO indulging in Bluffing/Cheating thus resulting in fraudulent practices.

5	National Database and Registration Authority (NADRA)	M/S IVY Interface	22-G, Block 2, P.E.C.H,S Karachi. Suit#1, 4th Floor Ginza Centre, 104 Jinnah Ave, Blue Area Islamabad. 17-M, Lawrance Road Lahore.	19-04-2009	-	Failure to supply equipment on due dates.
6	Pakistan Railways HQ. Lahore	M/S Trade Tek International	14 Mz Central Plaza Garden Town Lahore.	06-09-2007	-	Failure to Replace the Defective Material.
7	Karachi Electric Supply Corporation Limited	M/S Al-Fateh Security Services (Pvt) Ltd	5-G, State Life Building No.4, Shahrah-e-Liaquat, G.P.O Box No. 5637	06-01-2005	-	Fraud in the attendance record of Security Gurads
8	Pakistan Railways	SKY Lines Builders	44/1 Adil Courts, Rawalpindi	13-12-2004	-	Submission of False and Bogus documents with regards to sale order

Complaints Filed by Various Bidders / Suppliers to PPRA from 1st July, 2008 to 30th June, 2012**1. Complaint Filed by Various Bidders/Suppliers from 1st July, 2008 to 30th June, 2009.**

S. No	Subject	Complaint by	Complaint against
1.	Complaint for Establishment of Seismic Monitoring System in the Northern Areas of Pakistan.	M/s Solar Dynames (Pvt) Ltd.	WAPDA
2.	Issuance of Tender Documents/ Extension in Tender opening date.	M/s Uppal Engineering Co. (Pvt.) Ltd.	GEPCO
3.	Complaint for Oilfield Roller Chains.	M/s Comtek Pakistan	OGDCL
4.	Pre-qualification of new Islamabad International Airport	M/s Elektra System (Pvt) Ltd.	Civil Aviation Authority
5.	Complaint in Qadirpur Compression Project.	M/s A.G. Equipment Co.	OGDCL
6.	Violation in Tender for supply of Moulds for Railway Sleeper.	M/s Shoaib Iqbal Engineering	Pakistan Railway
7.	Complaint for Procurement/ Manufacturing of 75 Diesel Electric Locomotives.	M/s Marubeni Corporation	Pakistan Railway
8.	Off-Spec, Cool offer to Pakistan Steel	M/s Omega	Pakistan Steel.
9.	Complaint in Preparation of Restricted Tender Efforts Specification.	M/s Overseas Trade Corporation Limited.	SNGPL
10.	Complaint in Tender for Supply of Static Single Phase/Three Phase Energy Meters	do	Multan Electric Supply Co.(MEPCO)
11.	Violation of PPRA Rules for supply of 34 Nos. Chinese T/M ZD-109 BP.	do	Pakistan Railway
12.	Complaint for Discrimination in Award of Contract.	do	Peshawar Electric Supply Co.(PESCO)
13.	Complaint in Tender for two Units Buses.	M/s Afzal Motors (Pvt) Ltd.	Airport Security Force
14.	Violation of PPRA Clause-40 "Limitations on the negotiation".	M/s PARAS Trading Co.	Jamshoro Power Company and HESCO
15.	Complaint against VC Barani University, Rawalpindi for violation of PPRA Rules.	Mr.Raja Kamal Khan, Faisalabad	Barani University, Rawalpindi.
16.	Complaint in tender for Maintenance/ Civil Works.	M/s Niaz Enterprises	Benevolent Fund & Group Insurance
17.	Complaint in Tender for Survey Equipment for Topcon Brand.	M/s Surveying & Scientific Stores.	National Transmiss-ion & Despatch Co.

18.	Tender for Machinery & Equipment under ADP Scheme for upgradation of Surgical Unit.	M/s Nasa Medical Corp.	Civil Hospital, Karachi.
19.	Violation of SRO 827(1)/2001	Mr.Zafar Mehdi, Karachi	SNGPL
20.	Complaint in Tender for Mail Motor Schedule.	M/s Al-Haq Services, Rawalpindi.	Pakistan Post Office
21.	Complaint in Irregularities in Procurement Prevailing.	M/s Powerlink	Quetta Electric Supply Co.(QESCO)
22.	Complaint against Purchase Order No.4117/GMT/R&S/T-1600.	M/s Suncrest	WAPDA
23.	Violation in Central Procurement and Contracts.	M/s Pakistan Business International	Civil Aviation Authority
24.	Complaint in Tender for Lamivudine Table.	M/s GlaxoSmithKline Pakistan.	M/o Health
25.	Complaint against Irresponsible Attitude of Pak. Railways for procurement of Composite Brake Shoe.	M/s Rail Products International	Pakistan Railway
26.	Halt of Media Monitoring Services	M/s ABS World Wide (Pvt) Ltd.	PEMRA
27.	Complaint against Irresponsible Attitude of Pak. Railways for procurement of DE LOCO AXLES.	M/s Rail Products International	Pakistan Railway
28.	Complaint in Tender for Procurement of 18 Nos. of 300 KVA Diesel Generating Sets.	M/s Rail Products International	Pakistan Railway
29.	Request for Grievances - Bid Rejection in Tender.	Lt. Cdr. Fida Hussain (Retd)	Highway and Motor way Police
30.	Provide Reasons & Evaluation Sheet under Article 33(1) & 35 of Public Procurement, 2004.	M/s Silver Tone	Cabinet Division
31.	Complaint regarding Tender for Supply, Installation, Testing and Commissioning of 2000 Generator at NICL Building.	M/s Forte Pakistan (Pvt) Ltd.	National Insurance Corp. of Pakistan.
32.	Violation of PPRA Ordinance, 2002	M/s M.Q. Sons	Pakistan Railway
33.	Complaint against SNGPL regarding Tender Enquiry No.LE-030/2009 for Synthetic Primer.	M/s Asphatar International (Pvt) Ltd.	SNGPL
34.	Complaint against SNGPL regarding Tender Enquiry No.SNT-1475/09 covering Coaltar Enamel/ Synthetic Premer 1st & 2nd Amendment	M/s Asphatar International (Pvt) Ltd.	SNGPL
35.	Procurement of Disposable AD/RUB Syringes for P.M's Program for Control & Prevention of Hapatitis.	M/s Bectom Dickinson Pakistan Limited	M/o Health
36.	Redressal of Grievances & Settlement of Disput- clean drinking water for all projects.	M/s Descon Engineering Ltd.	M/o Special Initiatives
37.	Complaint against violation of PPRA Rules.	M/s Umama Assosicates	State Bank of Pakistan
38.	Violation in Tender Procedure	M/s Pak.Vehicle Engg. Ltd	OGDCL

39.	Complaint against cancellation of Project Management Consultancy Services in Implementation of Core Banking Application.	M/s Anjum Asim Shahid Rahman, Chartered Accountant	National Bank of Pakistan
40.	Complaint for Preparation of Training Material for Global in Crop Maximization Project-II.	M/s Resource Management Associates	MINFAL
41.	Violation in Purchase of Hepatitis B&C ELISA KITS for P.M. programme on Hepatitis.	Pak. Society for the Study of Liver Diseases	Ministry of Health
42.	Purchase of Digital Photocopier Machines	M/s Mansha Brothers	Population Census Organization
43.	Violation in Public Procurement Rules, 2004	M/s Mughal Enterprises	PIA
44.	Tender of Finance Diviliosn (Military) Tender No.TS94612E	M/s Shirazi Trading Company (pvt.) Limited	Fin. Div. (Military)
45.	Prequalification for Development of Islamabad	M/s CDA Contractor Association	CDA
46.	Complaint regarding stationary items	Mr. Abdul Sattar, Islamabad	Finance Division
47.	Violation against Public Procurement Rules, 2004	M/s Sarmad Associates	FESCO (WAPDA)
48.	Complaint for Evaluation Criteria in the Tender Documents	Mr. Abdul Waheed, Excel Technological Services, Lahore	OGDCL
49.	Violation of Public Procurement Rules, 2004	M/s Shabbir Ahmed	Pak. PWD
50.	Violation in Tender-Supply of Generator Stator Windings with Class-F for Tarbela Power Station	M/s Hydero Monark (Pvt) Ltd.	WAPDA
51.	Complaint regarding award of work to Consultant, NESPAK	M/s SAMPAK International (Pvt) Ltd.	Earthquake Reconstruction and Rehabilitation Authority (ERRA).
52.	Complaint against Technical Evaluation results.	M/s Trade Wind International	OGDCL
53.	Violation in Tender Procedures- Procurement of Portable Compressors.	M/s Atlas Copco Pakistan (Pvt) Ltd.	OGDCL
54.	Violation in Tender Procedures- Procurement of Crane Mounted Truck	M/s Rikans International	OGDCL
55.	Irregularities in Technical Evaluation of 06 Nos. Fire Fighting Lory Tender.	M/s ETS System Integrators.	OGDCL

**2. Complaint Filed by Various Bidders/Suppliers from
1st July, 2009 to 30th June, 2010.**

Sr.	Subject	Complaint by	Complaint Against
1.	Request for Signing of MOU (National Security Communication and Social Adminn Information System Project)	M/s Huawei Technologies (Pvt) Ltd.	NTC
2.	Complaint for Prequalification of Consultants for Advertising Agencies.	M/s Transparency International-Pakistan	PTA.
3.	Complaint against EOBI House at Mauve Area, Islamabad.	M/s Mecatech (Pvt) Ltd.	Employees Old Age Benefits.
4.	Complaint against Pakistan Steel reg. violation of PP Rules.	M/s Zakir-ur-Rehman Abbasi & Brothers	Pakistan Steel
5.	Complaint against Channel Maintenance Works 2009-2010	M/s Transparency International-Pakistan	Port Qasim Authority
6.	Complaint against T/E No.SN-2653/09-Held up opening of Financial offer	M/s Al-Madad Corporation	SNGPL
7.	Complaint against purchase of ATIZ Heavy Duty Book Scanner/Delay in payment.	M/s Stay Biz	M/o I.T.
8.	Complaint against procurement of 100-200 Acres Plot for Housing Society and 4000-10000 Syds plots	M/s Transparency International-Pakistan	NICL
9.	Violation of MOU signed between Pakistan Steel and Transparency International-Pakistan.	M/s Transparency International-Pakistan	Pakistan Steel
10.	Violation of PPRA Rules in Dhakni Tender Evaluation.	M/s Excel Technological Services	OGDCL
11.	Complaints on corrupt practices	M/s Transparency International-Pakistan	Port Qasim Authority
12.	Violation of Public Procurement Rules, 2004	M/s World Wide Vision	Comsats Institute of
13.	Request for Judicial Inquiry.	Mr. Asif Ahmed, DHA, Karachi	NICL
14.	Complaint in procurement of 155 Bullet Proof Jackets.	M/s Transparency International-Pakistan	Airport Security Force
15.	Complaint regarding approval for un-authorized Suppliers without Support and Disclosure of qualified manufacturer.	M/s Overseas Trade Corp.	Pakistan Railways
16.	Complaint against T/ENOLET/163/2009 - Supply of Battlery Charger.	M/s FF Enterprises	SNGPL
17.	Irregularity in purchase of Roof Mounted Package A/c Unit.	M/s Petal Engineering (Pvt) Ltd.	Pakistan Railways

18.	Violation of PP Rules, 2004 in procurement of Compressor.	M/s Transparency International-Pakistan	OGDCL
19.	Request for Provision of Evaluation Report.	M/s One2One Solution	Pakistan Engineering Council
20.	Violation of PP Rules, 2004- Expression of Interest.	M/s Transparency International-Pakistan	F.Govt. Employees Foundation
21.	Violation of Rules in Pre-qualification Notice Published in "Dawn".	M/s Transparency International-Pakistan	Trade Dev. Authority of Pakistan.
22.	Grievances Redressal over Award of new Repair and Construction Tender.	Mr. Saqib Hussain	M/o Commerce
23.	Violation of PP Rules, 2004 - Expression of Interest for ERP System Project.	M/s Transparency International-Pakistan	ZTBL
24.	Notice Inviting Tenders/Bids for Replacement of installed HVAC Equipment.	M/s Gresham's Eastern (Pvt) Limited	NICL
25.	Consulting Services for Establishemtn of Women University.	M/s Engineering Consultants International (Pvt) Ltd/M/s Transparency International-Pakistan.	HEC
26.	Request for Bidding Record and Information Re-tender Enquiry	Khalid Majid Rehman, Chartered Accountant	OGDCL
27.	Report Loss of US\$ 1 Billion-Award of contract for 3.5 MT LNG- Recovery of Penalty of US\$ 10 Billion.	M/s Transparency International-Pakistan	M/o Petroleum & NR
28.	Violation of Public Procurement Rules, 2004		Pakistan Bait-ul-Mal
29.	Replacement of Existing HVAC Equipment with New Equipment.	M/s Elektra System	NICL
30.	Corruption in Pak.PWD (South Zone) specially by Mr.S. Shabiu Hasnain, Executive Engineer.	M/s Bhatti Enterprises	Pak. PWD (Hq.)
31.	Request for help for OGDCL Tender for procurement of Fire & Gas System	M/s Solution engg. (Pvt) Ltd.	OGDCL
32.	Tender as per PPRA Regulations/PEC Notification in tender No.CF/4933-NA	M/s Indusmons Corporation	PSO
33.	Tender Inquiry No.PROC-FB/PROD-868/09 16th Line Pipe Two Envelop System.	M/s Ciana Engineering	OGDCL
34.	Tender No.MM/GEPCO/9-63 for supply of 132 KV CTs and Isdators	M/s Suncrest International	GEPCO
35.	Extension for submission of Tender 282/2010	M.Yousuf Adil Saleem and Co.	NADRA
36.	Award of Contract for "Providing Installation of New HVAC Units at Benazir Bhutto International Airport	M/s Arshad Amjad & Abid (Pvt) Ltd.	Civil Aviation Authority.

37.	OGDCL's Tender No.WS-1366/09- Deviation from laid down Tender Evaluation Criteria	M/s Scomi Oiltools Ltd.	OGDCL
38.	Quotation of Heart Lung Machine	M/s Interex Comm.	PIMS
39.	Violation of Public Procurement Rules, 2004	M/s Logistics Services Pak.	NADRA
40.	Press Clipping Exchequer suffer Rs.40.0 billion Loss/PR Procuring Locomotive.	Press Clipping	Pakistan Railways
41.	Vested Interests in procurement of Angiography Machine.	M/s Medequips (Pvt) Ltd./ Transparency International	PIMS
42.	Violating PPRA Rules in almost all Procurement.	M/s Transparency International-Pakistan	NHA
43.	Blatant Violation of Public Procurement Rules, 2004 in almost all procurement.	M/s Transparency International-Pakistan	NHA
44.	RFO for services of Consultants for Undertaking Independent Review of Procurement Function.	M/s Transparency International-Pakistan	State Bank of Pak.
45.	Violation of PP Rules, 2004 by Director (Procurement), Pak. Railways in the International Tender Notice.	Concerned Citizens	M/o Railways
46.	Violation of PP Rules, 2004 by SSGCL in Tank Tender.	(1) M/s Transparency International-Pakistan (2)FAS	SSGCL
47.	Infrastructure facilities water supply and sewerage system Gulshan-e-Benazir, PQA, Karachi.	M/s R. M. Gulistan	Port Qasim Authority
48.	Violation of PPRA Rules - Tender of scanning Electron Microscope Geological survey of Pakistan	M/s Professional Systems (Pvt) Limited	M/o Petroleum/ Geological Survey of Pakistan.
49.	Procurement of 150 locomotive in Pakistan Railways	M/s Industrial Power Supply Ltd.	M/o Railways
50.	Progressive Violation of PPRA/PEC Rules and Regulations.	M/s Almio Builders	Pak PWD (Hq)
51.	Compliance of SRO 827(1)/2001 in respect of Tender Enquiry No.03028, 03043, 03048.	M/s Chawla Rubber & Plastic Industries.	Pak. Steel Mills
52.	Wexnet 2010 Exhibition at Expo Center, Lahore.	M/s Badar Expo Solutions	Trade Dev. Authority of Pakistan.
53.	Extension in Bid Opening Date for Tender for Procurement of 150 Diesel Electric Locomotive	M/s Dangfond Electric Corp.	Pakistan Railways
54.	Complaint concerning Procurement of Ultrasound Machines by National MNCH Programme.	M/s Bio-tech Services	M/o Health
55.	Rejection of Tender of Furniture	M/s A. Qadir Furnishers	M/o Livestock & Dairy Development
56.	Protect against Tender Enquiry No.12/0055/00-0/1-2008.	M/s OK Agencies	Ministry of Railway

57.	Complaint against National Bank of Pakistan.	M/s Swift Enterprises	National Bank of Pakistan
58.	Violation of PPRA Rules-10-WAPDA Tender No.OP/ITR-71(1).	M/s NESCON International	WAPDA
59.	Complaint against Tender Enquiry for Supply of Crucibles Muffle Rings, Stands 03 items.	M/s Overseas Commercial corp.	Pakistan Mint, Lhr.
60.	Tender of Mechanical Ventilator	M/s Noor International	Sheikh Zayed Hospital
61.	PROC-FE/CB/EXPL/ECMP/2300/2008 for Procurement of Multi-Geophone Strings and Spares.	M/s Premium Energy	OGDCL
62.	Complaint on the violation of PP Rules, 2004 in the Procurement of Personal/Vehicle Access Control and Parametric Surveillance System.	M/s Transparency International-Pakistan	M/o Defence Production
63.	Complaint against Tender for the Procurement of construction Equipment under ADB Loan No.243-Pak.	M/s Burhani Enterprise/ Transparency International - Pakikstan	PEPCO
64.	Corruption in Award of Filling Contracts - Deep Sea Port Project.	Mr. Kamran Ahmed resident of Karachi.	Karachi Port Trust
65.	Violation of PP Rules 2004- Prequalification of Contractors/Firms for Garhi Khuda Bakhsh Cricket Stadium/ Academy at Noudaro.	M/s Transparency International-Pakistan	Pakistan Cricket Board

3. Complaint Filed by Various Bidders/Suppliers from 1st July, 2010 to 30th June, 2011.

Sr.	Subject	Complaint by	Complaint against
1.	Tender For Precision Cooling System at Higher Education Commission Islamabad.	M/s Sabro Technologies	Higher Education Commission
2.	Violation of PPRA Rules, 2004	Contractors of Missri Shah, Loha Market	M/o Railways
3.	Tender For Preceision Cooling System at Higher Education Commission Islamabad.	M/s Engineering Development Board	Higher Education Commission
4.	Tender / Bidding Documents For Printing / Designing of PIA Annual Report 2010	Mr. Syed Safdar Hussain	PIA
5.	Complaint by Universal Communication Systems (Pvt) Ltd	Universal Communication System (Pvt) Ltd	Pakistan Telecommunication Authority
6.	Purchase of Photocopier Machine	M/s Mansha Brothers	M/o Postal Services
7.	FBR Tender for data center (1(13)/SS-PTR/08 FF054392 under world bank CR-4007-Pak	M/s Emerson Network Power	FBR
8.	Complaint against FBR data center tender notice	Syed Brothers Consultation & Construction Company	FBR
9.	Loss to govt. for millions of rupees (tender no. IFB # 01-BBSyP/2010)	Science & Computer link	National Commission for Human Development
10.	Tender for construction of bridge over river ravi alongwith approach roads from basti bulwan (tehsil Mian chmn) to darbar sharif sandhilian wali district toba tek singh	M/s Usmani Associates (Pvt) Ltd	National Highway Authority
11.	Non compliance of rules & law regarding appointing of advertising agencies	M/s Icon Consultants	Allama Iqbal Open University
12.	Tender for supply of food, feed for zoo Islamabad	M/s Siddique Engineer & Contractor	CDA
13.	Non issuance of tender documents	M/s Naveed Iqbal & Company	SNGPL
14.	Tender no. PPRA Tender No. 319/2010 for ups 3kva	M/s Ali Business	NADRA
15.	Investigation of possible corruption in procurement	Mr. Asim Naveed	SSGCL
16.	Application for installation of hand pumps at union concil khushal garh, district kohat and to conduct impartial inquiry against the concerns	Mr. Malik Zafar Iqbal Awan	OGDCL
17.	Violation of PPRA Rules By PSO	M/s Pakistan Steel Fabricating Company Ltd	PSO

18.	Violation of PPR, 2004 for the selection of consultants to draft new act for the purpose of hoint control of federal & provincial govt.	T.I.P	M/o Petroleum & Natural Resources
19.	Tender # 295 NADRA Smanrt Card tender / Uegent	M/s Relaince International Co.,	NADRA
20.	Violation of PPR, 2004 fot the selection of financial advisory counsortium for issue of OGDCL exchange able board	T.I.P	M/o Privatization
21.	Violation of PPR, 2004 Expression of interest for reputed advertising agencies in UK, Europe and USA	T.I.P	Pakistan Television Corporation Ltd
22.	Violation of PPR, 2004 Supply Installation testing and commissioning of various types of CCTV cameras & CCTV monitors in Lot-wise at state bank of Pakistan, Karachi and its field officers	T.I.P	State Bank of Pakistan
23.	SSGC tender no. SSGC/FP/3738 ordorant oil opened on 21.12.2010	M/s Delta Enterproses	SSGCL
24.	Implementation of PPR, 2004 in the Ministry of Defence	T.I.P	Ministry of Defence Production
25.	Tender in violation of PPRA Rules	M/s Izhar Energy services & TIP	Pakistan Housing Authority (PHA)
26.	Violation of PPR, 2004 Civil Aviation training institute tender notice for the improvement work of power distribution system	TIP	Civil Aviation Training Institute
27.	Violation of PPR, 2004 tender notice for the upliftment sale of liquid petroleum gas	TIP	Oil & Gas Development Company Limited (OGDCL)
28.	Violation of PPR, 2004 Associated press of Pakistan Corporation islamabad tender norice	TIP	Associated press of Pakistan corporation
29.	Violation of PPR, 2004 heavy mechanical complex sales tender notice	TIP	Heavy Mechanical Complex Taxila
30.	Purcahse of IT equipment for BISP operations saving of over Rs. 181.00 millions in only 3 region by selecting right product	M/s Computer Marketing Co. (Pvt) Limited	Benazir Income Support Program (BISP)
31.	Complaint against proprietary specifications in OGDCL tender for GPS receiver opened on 31-12-2010	M/s I&E International	OGDCL
32.	Violation of PPR 2004 secretary PASCO lahore, short tender notice for the supply of Jute Bags	TIP	OGDCL
33.	Violation of PPR, 2004 NBP, prequalification of advertising agencies & media buying houses	TIP	National Bank of Pakistan

34.	Violation of PPR, 2004 pakistan stone development company pre-qualificaiton of suppliers	TIP	Pakistan stone development company
35.	Violation of PPR, 2004	M/s Flint Minerals (FM)	Pakistan Steel Mills
36.	Report against violation of PPRA Rules and act by TIP Huripur hazara	M/s Abaseen Security Services (Pvt) Limited	Telephone Industries of Pakistan (TIP)
37.	Vioaltion of PPR, 2004 tender notice for the supply of Machinery	TIP	Pakistan Post Foundation
38.	Violation of PPRA Rules By OGDCL in setting bidding criteria for potential bidders	M/s Scomi Outtools Limited	OGDCL
39.	Auction of vehicles	M/s New rawal Motors	PTV HQrs
40.	Awarding tender to highest bidder	M/s SecSam Solutionz (Pvt) Limited	Islamabad Model college for girls (Post Graduate)
41.	Request for intervention/ violation of PPRA Rules	M/s Tahir Sibtain	Evacuee Trust Property Board

Acronyms Used in the Text

ADB	Asian Development Bank
AGP	Auditor General of Pakistan
APR	Asia Pacific Region
CAA	Civil Aviation Authority
CDA	Capital Development Authority
CPAR	Country Procurement Assessment Report
DFID	Department for International Development
EIP	Entity Improvement Plan
ERP	Economic Reforms Programme
EU	European Union
GFR	General Financial Rules
GOP	Government of Pakistan
HMC	Heavy Mechanical Complex
MESCO	Multan Electric Supply Company
MIS	Management Information System
NAB	National Accountability Bureau
NARC	National Agriculture Research Centre
NEPRA	National Energy and Power Regulatory Authority
NHA	National Highway Authority
NPRP	National Procurement Reform Project
NPRP	National Procurement Reforms Project
NTC	National Telecommunication Corporation
OGDCL	Oil and Gas Development Corporation
OGRA	Oil and Gas Regulatory Authority
PASSCO	Pakistan Agriculture Supplies and Stores Corporation
PBC	Pakistan Broadcasting Corporation
PIA	Pakistan International Airline
PINSTECH	Pakistan Institute of Nuclear Science and Technology
PNSC	Pakistan National Shipping Corporation
PPA	Public Procurement Agency
PPR	Public Procurement Rules
PPRA	Public Procurement Regulatory Authority
PPWD	Pakistan Public Works Department
PR	Pakistan Railways
PSAs	Public Sector Agencies
PSCBP	Public Sector Capacity Building Project
PSDP	Public Sector Development Programme
PSM	Pakistan Steel Mill
SNGPL	Sui Northern Gas Pipe Lines Limited
SRO	Statutory Regulatory Order
SSGPL	Sui Southern Gas Pipe Lines Limited
TAP	Technical Assistance Plan
TI	Transparency International
TIP	Telephone Industries of Pakistan
UNCITRAL	United Nations Commission on Trade Laws
USC	Utility Stores Corporation
WAPDA	Water and Power Development Authority
WTO	World Trade Organization
EIP	Entity Improvement Plan
PIA	Pakistan International Airline
NPRP	National Procurement Reforms Project
PSM	Pakistan Steel Mill
PQA	Port Qasim Authority
PASSCO	Pakistan Agriculture Supplies and Stores Corporation
PINSTECH	Pakistan Institute of Nuclear Science and Technology
OGDCL	Oil and Gas Development Corporation
PNSC	Pakistan National Shipping Corporation
TIP	Telephone Industries of Pakistan
USC	Utility Stores Corporation
UNCITRAL	United Nations Commission on Trade Laws
WAPDA	Water and Power Development Authority
WTO	World Trade Organization

PUBLIC PROCUREMENT REGULATORY AUTHORITY
BALANCE SHEET
AS AT JUNE 30, 2008

PARTICULARS	NOTE	2008	2007
PHYSICAL FIXED ASSETS			
Furniture & Fixture		839,710	574,160
Office Equipment		1,218,306	1,139,220
Computer & Accessories		1,762,840	1,587,190
Vehicle		2,132,339	2,132,339
		5,953,195	5,432,909
Less: Accumulated Depreciation	3	(2,805,020)	(2,129,237)
		3,148,175	3,303,672
CURRENT ASSETS			
Loan & Advances	4	2,889,170	1,584,895
Cash & Bank Balance	5	24,402,203	1,765,927
Investment	6	-	28,813,200
		27,291,373	32,164,022
TOTAL	Rupees.	30,439,548	35,467,694
FUNDS AND LIABILITIES			
General Fund		30,439,548	35,467,694
TOTAL	Rupees.	30,439,548	35,467,694

Chairman



Managing Director

PUBLIC PROCUREMENT REGULATORY AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2008

PARTICULARS	NOTE	<u>2008</u>	<u>2007</u>
Receipts	7	21,475,000	4,150,000
Other Income	8	3,799,983	4,648,495
		<hr/>	<hr/>
		25,274,983	8,798,495
Less: Expenses for the year			
Establishment Charges	9	24,059,935	10,769,444
Repair & Maintenance	10	217,430	266,032
Operating Expenses	11	4,235,916	6,102,037
Transfer Payments	12	661,239	547,248
Depreciation		675,783	750,261
		<hr/>	<hr/>
		29,850,303	18,435,022
Surplus/ (Deficit) for the year		<hr/>	<hr/>
Surplus brought forward		35,467,694	45,104,221
Prior year adjustment	13	(452,826)	-
Surplus carried forward to Balance Sheet		<hr/>	<hr/>
		30,439,548	35,467,694

CHAIRMAN

MANAGING DIRECTOR



PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2008

1 AUTHORITY AND ITS OPERATIONS

The Authority was established under the Public Procurement Regulatory Authority Ordinance, 2002. The principal objectives of the authority are to regulate procurement of goods, services and works in the public sector.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

These accounts have been prepared under the historical cost convention without any adjustment for the effects of inflation or current values.

2.2 Receipts

Receipts are the Govt. grants which are recognized as and when received.

2.3 Expenditures

Expenditures are recognized as and when accrued

2.4 Physical Fixed Assets

These are stated at cost less accumulated depreciation. The depreciation is charged to Income & Expenditure account applying the written down value method at the rates specified in Note No. 3. A full year's depreciation is charged on assets acquired during the year while no depreciation is charged on assets disposed off during the year. Maintenance and normal repairs are charged to receipt and expenditure account as and when incurred while major renewals and improvements are capitalized. Gain and losses on disposal of assets, if any, are included in the Income & Expenditure account.

3 AS PER ANNEXURE ENCLOSED

	2008	2007
	Rupees	Rupees
4 LOAN AND ADVANCES		
Motor Car Advance	1,148,731	471,231
Advance for Expenses	30,000	30,000
Motor Cycle Advance	15,847	24,177
Reimbursable PSCBP expenditure	1,552,632	1,036,487
Advance Salary	-	3,000
Advance to Employee	-	20,000
House Rent Advance	141,960	-
	141,960	3,000
	2,889,170	1,584,895
5 CASH & BANK BALANCES		
Cash in Hand	25,000	25,000
Cash at Banks	24,377,203	1,740,927
	24,402,203	1,765,927
6 INVESTMENT		
Bank Alfalah Ltd	-	12,500,000
Faysal Bank Ltd.	-	16,313,200
Pakistan Industrial Credit Investment Corp. Ltd.	-	-
	28,813,200	28,813,200



	2008 Rupees	2007 Rupees
7 RECEIPTS		
Government Grant	21,475,000	4,150,000
	<u>21,475,000</u>	<u>4,150,000</u>
8 OTHER INCOME		
Profit on Bank Deposits	283,565	41,787
Other & Interest Income	3,516,418	4,606,708
	<u>3,799,983</u>	<u>4,648,495</u>
9 ESTABLISHMENT CHARGES		
Pay of Officers & Staff	16,900,401	4,236,603
Allowances of Officers & Staff	5,960,402	4,838,424
Rent for Residential Building	35,236	167,442
Overtime	82,425	116,271
Medical Reimbursement	872,910	662,539
Honoraria	208,561	748,165
	<u>24,059,935</u>	<u>10,769,444</u>
10 REPAIR & MAINTENANCE		
R & M Transport Vehicles	134,859	189,118
R & M Computer	2,880	2,250
R & M Machinery & Equipment	40,380	74,314
R&M - Furniture	10,815	350
R&M - Building	28,496	-
	<u>217,430</u>	<u>266,032</u>
11 OPERATING EXPENSES		
Postage Stamps & Couriers	32,262	19,471
Telephone & Electronic Communications	543,646	714,307
Newspaper, Periodicals & Books	98,148	77,914
Advertisement & Publicity	30,000	125,807
Payment of Consultancy	2,115,963	3,021,138
Office Stationery	410,444	311,110
POL Charges	430,817	530,256
Freight & Carriage	1,400	10,090
Others	167,300	57,230
Insurance Vehicle	110,000	108,597
Travelling Allowance	144,504	465,322
Security Services	151,432	123,445
Legal & Professional	-	537,350
	<u>4,235,916</u>	<u>6,102,037</u>
12 TRANSFER PAYMENTS		
Entertainment & Gifts	99,422	82,619
Pension Contribution	559,603	462,529
Bank Charges	2,214	2,100
	<u>661,239</u>	<u>547,248</u>
13 PRIOR YEAR ADJUSTMENT		
The cash realized for a sale of car owned by ministry, due to condemnation and amount was treated as income for 2006-07 and deposited in Govt. Treasury in 2007-08.	452,826	
	<u>452,826</u>	
14 FIGURES		
- These have been rounded off to the nearest rupee		
- These have been re-arranged where ever necessary for the purpose of comparison.		

CHAIRMAN

MANAGING DIRECTOR



3 PHYSICAL FIXED ASSETS SCHEDULE

ANNEXURE

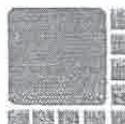
PARTICULARS	COST		Rate %	DEPRECIATION		WDV as at June 30, 2008		
	As at June 30, 2007	Addition / (Deletion)		As at June 30, 2007	For the year			
Furniture & Fixture	574,160	265,550	839,710	10%	133,023	70,669	203,692	636,018
Office Equipment	1,139,220	79,086	1,218,306	10%	241,895	97,641	339,536	878,770
Computer & Accessories	1,587,190	175,650	1,762,840	30%	969,838	237,901	1,207,739	555,101
Vehicles	2,132,339		2,132,339	20%	784,481	269,572	1,054,053	1,078,286
TOTAL	5,432,909	520,286	5,953,195		2,129,237	675,783	2,805,020	3,148,175



PUBLIC PROCUREMENT
REGULATORY AUTHORITY
(PPRA)

AUDIT FOR THE YEAR ENDED
JUNE 30, 2009

Zia Masood Kiani & Co. Chartered Accountants	
Called By:	
Called To:	Sohail
Casted By:	Muzaffar
Calculated By:	Sohail



AUDITORS' REPORT TO THE MANAGING BODY

We have audited the annexed balance sheet of Public Procurement and Regulatory Authority ("the Authority") as at June 30, 2009 and the related receipt and expenditure account together with the notes forming part thereof (here-in-after referred to as the financial statements) for the period then ended.

Management's Responsibility for the Financial Statements

It is the responsibility of the authority's management to establish and maintain a system of internal control and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects the financial position of the authority as at June 30, 2009 and of its deficit for the period then ended in accordance with the approved accounting standards as applicable in Pakistan.

Yousaf

ISLAMABAD
Date:

ZIA MASOOD KIANI & CO.,
Chartered Accountants

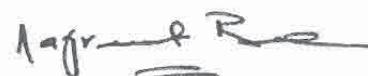
Engagement Partner
ZIA ULLAH

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PUBLIC PROCUREMENT REGULATORY AUTHORITY
 Balance Sheet
 as at 30 June 2009

	Note	2009	2008
		----- Rupees -----	
<u>ASSETS</u>		(Restated)	
Non-current assets			
Property, plant and equipment	6	2,872,614	3,148,175
Current assets			
Advances and other receivables	7	2,867,688	2,889,170
Cash and Bank Balances	8	3,491,834	23,928,741
		6,359,522	26,817,911
		<hr/> <u>9,232,136</u>	<hr/> <u>29,966,086</u>
FUNDS AND LIABILITIES			
General fund	9	9,178,969	29,966,086
Current liabilities			
Creditors and accrued liabilities	10	53,167	-
Contingencies and Commitments	11	-	-
		<hr/> <u>9,232,136</u>	<hr/> <u>29,966,086</u>

The annexed notes from 1 to 16 form an integral part of these financial statements.



CHAIRMAN

MANAGING DIRECTOR

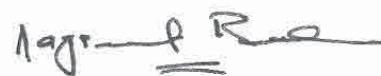
PUBLIC PROCUREMENT REGULATORY AUTHORITY
 Receipt and Expenditure Account
 for the year ended 30 June 2009

	Note	2009	2008
		Rupees-----	
		(Restated)	
RECEIPTS			
Grants		7,460,000	21,475,000
Other income	12	383,683	3,799,983
		7,843,683	25,274,983
EXPENDITURE			
Salaries, allowances and benefits	13	23,768,102	24,584,302
Non-salary expenditures			
Consultancy fee		1,223,352	2,115,963
Public sector capacity building project		87,320	-
Traveling and conveyance		59,720	144,504
Repair and maintenance		210,970	217,430
Rent, rates and taxes		-	35,236
Printing, stationary and office supplies		640,197	410,444
Communication		708,066	575,908
Newspaper and periodicals		101,919	98,148
Vehicle running and maintenance cost		667,624	430,817
Advertisement and publicity		-	30,000
Insurance		-	110,000
Security services		192,745	151,432
Entertainment		107,847	99,422
Legal and professional charges		117,400	-
Auditors' remuneration		50,000	-
Bank charges		9,498	2,214
Others		92,300	168,700
		4,268,958	4,590,218
Depreciation	6	593,740	675,783
(Deficit) for the year		(20,787,117)	(4,575,320)

The annexed notes from 1 to 16 form an integral part of these financial statements.

CHAIRMAN

MANAGING DIRECTOR



PUBLIC PROCUREMENT REGULATORY AUTHORITY

Notes to and forming part of the financial statements

for the year ended 30 June 2009

1. Legal status and nature of business

Public Procurement Regulatory Authority - PPRA ("the Authority") was established on 15 May 2002 through Public Procurement Regulatory Authority Ordinance, 2002. Its office is situated at 1st Floor, Federal Bank for Cooperative Building, G-5/2, Islamabad Capital Territory.

The principal objective of the Authority is to monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to procurement of goods, services and works in the public sector.

2. Basis of preparation

These financial statements have been prepared under the receipt and expenditure basis of accounting, revenue is recognized when received rather than when earned, and expenses are recognized when incurred i.e on accrual basis.

3. Basis of measurement

These financial statements have been prepared under the historical cost convention.

4. Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying Authority's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area where various assumptions and estimates are significant to the Authority's financial statements or where judgments were exercised in application of accounting policies is the useful life of operating fixed assets.

— msl

PUBLIC PROCUREMENT REGULATORY AUTHORITY

Notes to and forming part of the financial statements for the year ended 30 June 2009

5. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

5.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss.

Depreciation on all items of property, plant and equipment is charged to income applying the reducing balance method so as to write off the depreciable amount of an asset over its useful life. Full year's depreciation is charged on additions during the year and no depreciation is charged on assets disposed off or retired during the year.

Depreciation is being charged at the rates given below.

Assets Class	Rate
Furniture and fixtures	10%
Office Equipment	10%
Computers	33%
Vehicles	20%

The assets' residual values and useful lives are continually reviewed by the Authority and adjusted if impact on depreciation is significant. The Authority's estimate of the residual value of its property, plant and equipment as at 30 June 2009 has not required any adjustment.

The Authority continually assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount.



PUBLIC PROCUREMENT REGULATORY AUTHORITY

Notes to and forming part of the financial statements

for the year ended 30 June 2009

Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account for the year.

The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

All other repair and maintenance costs are charged to income during the period in which they are incurred.

The profit or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

5.2 Employees' benefits

5.2.1 Government Employees

Pension, Gratuity, G.P.Fund and other similar payments of Government employees transferred to PPRA are the liability of Government. Therefore, liability for retirement benefits of Government employees is not made in the financial statements. Monthly contributions are deposited in the individual accounts of employees with the Accountant General of Pakistan Revenue, Islamabad.

5.2.2 Employees on Contract

There are no retirement benefits available to contract employees.



PUBLIC PROCUREMENT REGULATORY AUTHORITY
Notes to and forming part of the financial statements
for the year ended 30 June 2009

5.3 Taxation

Provision for income tax is not made in the financial statements being considered as exempted Government organization under section 49(2) of Income Tax Ordinance, 2001 under reference to Tax Free Number of 9010117-7 issued in favour of PPRA by the Federal Board of Revenue.

5.4 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees (functional currency) at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Pak Rupees at a foreign exchange rate ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income and expenditure account.

5.5 Revenue Recognition

Revenue from tender fee is recognized on receipt basis.

Grants and donation-in-kind are recognized as income on receipt basis.

5.6 Provisions

The Authority reviews the carrying amount of liabilities on a regular basis and appropriate amount of provision is made as and when necessary.

5.7 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Authority's functional and presentation currency.



PUBLIC PROCUREMENT REGULATORY AUTHORITY

Notes to and forming part of the financial statements
for the year ended 30 June 2009

6 PROPERTY, PLANT AND EQUIPMENT

The statement of property, plant and equipment is as follows:

Particulars	Furniture and fixtures	Office equipments	Computers and Ancillaries	Vehicles	Total
R u p e e s					
COST					
Balance as at July 01, 2007	574,160	1,139,220	1,587,190	2,132,339	5,432,909
Addition during the year	265,550	79,086	175,650	-	520,286
Balance as at June 30, 2008	839,710	1,218,306	1,762,840	2,132,339	5,953,195
 Balance as at July 01, 2008	 839,710	 1,218,306	 1,762,840	 2,132,339	 5,953,195
Addition during the year	258,183	18,200	41,796	-	318,179
Balance as at June 30, 2009	1,097,893	1,236,506	1,804,636	2,132,339	6,271,374
 ACCUMULATED DEPRECIATION	 	 	 	 	
Balance as at July 01, 2007	133,023	241,895	969,838	784,481	2,129,237
Charge for the year	70,669	97,641	237,901	269,572	675,783
Balance as at June 30, 2008	203,692	339,536	1,207,739	1,054,053	2,805,020
 Balance as at July 01, 2008	 203,692	 339,536	 1,207,739	 1,054,053	 2,805,020
Charge for the year	89,420	89,697	198,966	215,657	593,740
Balance as at June 30, 2009	293,112	429,233	1,406,705	1,269,710	3,398,760
 Carrying amount June 30, 2008	 636,018	 878,770	 555,101	 1,078,286	 3,148,175
Carrying amount June 30, 2009	804,781	807,273	397,931	862,629	2,872,614
 Depreciation rates	 10%	 10%	 33%	 20%	

7 ADVANCES AND OTHER RECEIVABLES

(Restated)

Advances to employees;

- against expenses

- against house rent

- against motor vehicle

Public sector capacity building projects

30,000	30,000
454,110	141,960
1,277,082	1,164,578
1,761,192	1,336,538
1,106,496	1,552,632
2,867,688	2,889,170

8 CASH AND BANK

Cash in hand

25.000

Cash at bank - PLS account (Restated)

3,491,834	23,903,741
3,491,834	23,928,741

PUBLIC PROCUREMENT REGULATORY AUTHORITY

Notes to and forming part of the financial statements
for the year ended 30 June 2009

	2009	2008
	----- Rupees -----	
		(Restated)
9 GENERAL FUND		
Opening balance - as originally reported	29,966,086	35,467,694
Effect of prior year adjustment (Note 9.1 and 9.2)	-	(926,288)
Opening balance - restated	29,966,086	34,541,406
(Deficit) for the year	(20,787,117)	(4,575,320)
	<u>9,178,969</u>	<u>29,966,086</u>
9.1 Cash of Rupees 452,826 realized for a sale of car owned by the ministry due to condemnation and amount was treated as income for the year ended 30 June 2007 and deposited in Government Treasury in financial year ended 30 June 2008.		
9.2 During the year the Authority has rectified the prior year error of Rupees 498,462 for rectification of reconciling difference observed in bank balances as reported in the financial statements for the year ended 30 June 2008. This comparative figures have been restated in accordance with the treatment specified in IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.		
10 CREDITORS AND ACCRUED LIABILITIES		
General provident fund payable	3,025	-
Audit fee	50,000	-
Other payable	142	-
	<u>53,167</u>	<u>-</u>
11 CONTINGENCIES AND COMMITMENTS		
There are no significant contingencies and commitments as at balance sheet date.		
12 OTHER INCOME		
Profit on bank deposits	373,085	283,565
Other receipts	10,598	3,516,418
	<u>383,683</u>	<u>3,799,983</u>
13 SALARIES, ALLOWANCES AND BENEFITS		
Salaries and wages	19,972,236	22,943,228
Honorarium	1,015,295	208,561
Medical reimbursement	1,445,035	872,910
Post employment benefit	1,335,536	559,603
	<u>23,768,102</u>	<u>24,584,302</u>

PUBLIC PROCUREMENT REGULATORY AUTHORITY

Notes to and forming part of the financial statements
for the year ended 30 June 2009

	2009	2008
----- Rupees -----		
14 NUMBER OF EMPLOYEES	50	44
15 DATE OF AUTHORIZATION		

These financial statements were authorized for issue on _____.

16 GENERAL

- Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. However there are no material reclassifications to report.
- Figures in these financial statements have been rounded off to the nearest rupee.



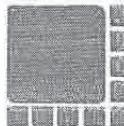
MANAGING DIRECTOR

CHAIRMAN

PUBLIC PROCUREMENT
REGULATORY AUTHORITY
(PPRA)

AUDIT FOR THE YEAR ENDED
JUNE 30, 2010

Zia Masood Khan & Co. Chartered Accountants	
Called By:	ASAD SHOIKH
Called To:	NISAR AHMED
Casted By:	Nisar Ahmed
Calculated By:	Nisar Ahmed



AUDITORS' REPORT TO THE MANAGING BODY

We have audited the annexed balance sheet of Public Procurement and Regulatory Authority ("the Authority") as at June 30, 2010 and the related receipt and expenditure account together with the notes forming part thereof (here-in-after referred to as the financial statements) for the period then ended.

Management's Responsibility for the Financial Statements

It is the responsibility of the authority's management to establish and maintain a system of internal control and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects the financial position of the authority as at June 30, 2010 and of its surplus for the period then ended in accordance with the approved accounting standards as applicable in Pakistan.

ISLAMABAD
Date:

ZIA MASOOD KIANI & CO.,
Chartered Accountants

Engagement Partner
ZIA ULLAH

gmn
international
PARAGUANAS PAKISTAN LTD
GMM International is an associate of
Global Management Accountants Ltd

PUBLIC PROCUREMENT REGULATORY AUTHORITY
 BALANCE SHEET
 AS AT 30 JUNE 2010

	Note	2010	2009		
		R u p e e s			
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	2,544,225	2,872,614		
CURRENT ASSETS					
Advances and other receivables	6	2,413,408	2,867,688		
Cash and bank balances	7	6,428,006	3,491,834		
		8,841,414	6,359,522		
		<u>11,385,639</u>	<u>9,232,136</u>		
FUNDS AND LIABILITIES					
GENERAL FUND					
	8	11,268,214	9,178,969		
CURRENT LIABILITIES					
Creditors and accrued liabilities	9	117,425	53,167		
CONTINGENCIES AND COMMITMENTS					
	10	-	-		
		<u>11,385,639</u>	<u>9,232,136</u>		

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHAIRMAN

M. J. B.
MANAGING DIRECTOR

PUBLIC PROCUREMENT REGULATORY AUTHORITY
RECEIPT AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		Rupees-----	
INCOME			
Grant	11	30,906,000	7,460,000
Other income	12	5,226,306	383,683
		36,132,306	7,843,683
EXPENDITURE			
Salaries, allowances and benefits	13	27,414,649	23,768,102
Non-salary expenditures			
Consultancy fee		860,670	1,223,352
Training and development		830,722	-
Public sector capacity building project		-	87,320
Traveling and conveyance		103,675	59,720
Repair and maintenance		578,273	210,970
Printing, stationary and office supplies		1,271,621	640,197
Communication		1,018,495	708,066
Newspaper and periodicals		103,570	101,919
Vehicle running and maintenance cost		949,399	667,624
Security services		200,400	192,745
Entertainment		64,596	107,847
Legal and professional charges		-	117,400
Auditors' remuneration		60,000	50,000
Miscellaneous Expenses		48,947	-
Bank charges		47,126	9,498
Others		-	92,300
		6,137,494	4,268,958
Depreciation		490,918	593,740
Surplus (Deficit) for the year		2,089,245	(20,787,117)

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHAIRMAN

MANAGING DIRECTOR



**PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

1 AUTHORITY AND ITS OPERATIONS

Public Procurement Regulatory Authority - PPRA ("the Authority") was established on 15 May 2002 through Public Procurement Regulatory Authority Ordinance, 2002. Its office is situated at 1st Floor, Federal Bank for Cooperative Building, G-5/2, Islamabad Capital Territory.

The principal objective of the Authority is to monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to procurement of goods, services and works in the public sector.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such Accounting and Financial Reporting Standards for Small Size Entities issued by the Institute of Chartered Accountants of Pakistan.

3 BASIS OF PREPARATION

3.1 Measurement

These financial statements have been prepared under the historical cost convention without any adjustments to the effects of inflation or current values.

3.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying Authority's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area where various assumptions and estimates are significant to the Authority's financial statements or where judgments were exercised in application of accounting policies is the useful life of operating fixed assets.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

[Signature]

4.1 Property, plant and equipment

Tangible fixed assets

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged to receipt and expenditure account applying the reducing balance method. Cost includes expenditure that is directly attributable to the acquisition of the items. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work in progress.

These are transferred to specific assets as and when assets are available for use.

Subsequent costs are included in the assets carrying amounts only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Maintenance and repairs are charged to receipt and expenditure account as and when incurred. Major renewals and improvements which increases the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are. Gain or loss on disposal of fixed assets, if any, are determined by comparing proceeds with the carrying amount and are recognized in the profit and loss account.

Depreciation is charged on written down value of assets at the rates mentioned in note 5 to the financial statements. Full annual rate of depreciation is applied in the year of purchase while no depreciation is charged in the year of disposal.

4.2 Impairment

The carrying values of the Authority's assets are reviewed for impairment annually when events or changes in circumstances indicate that the carrying values may not be recoverable. If such conditions exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amounts. Impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

4.3 Employees' benefits

4.3.1 Government Employees

Pension, Gratuity, G.P.Fund and other similar payments of Government employees transferred to PPRA are the liability of Government. Therefore, liability for retirement benefits of Government employees is not made in the financial statements. Monthly contributions are deposited in the individual accounts of employees with the Accountant General of Pakistan Revenue, Islamabad.

4.3.2 Employees on Contract

There are no retirement benefits available to contract employees.

[Signature]

4.4 Trade debts and other receivables

Trade debts are recognized at original invoice value which is the fair value of the consideration to be received less provision for uncollectible amounts. Provision for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written-off when there is no realistic prospect of recovery.

4.5 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, in finances under markup arrangements.

Cash and cash equivalents also consist of bank overdrafts repayable on demand, if any.

4.6 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees (functional currency) at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Pak Rupees at a foreign exchange rate ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4.7 Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Authority and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably.

Grants related to assets are recognized as income on systematic and rational basis over the period necessary to match these with related expenditure.

Monetary grants, where no specific condition exist for utilization for such grants, are recognized on receipt basis.

Income on bank placements is recognized on accrual basis.

4.8 Taxation

Provision for income tax is not made in the financial statements being considered as exempted Government organization under section 49(2) of Income Tax Ordinance, 2001 under reference to Tax Free Number of 9010117-7 issued in favour of PPRA by the Federal Board of Revenue.

4.9 **Provisions**

Provisions are recognized when the Authority has a present (legal or constructive) obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

4.10 **Offsetting of financial assets and liabilities**

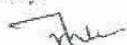
Financial assets and liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liabilities simultaneously.

4.11 **Related party transactions**

Related party transactions are carried out on a commercial terms, as approved by the Board.

4.12 **Functional and presentation currency**

These financial statements are presented in Pakistani Rupees, which is the Authority's functional and presentation currency.



5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Furniture and fixtures	Office equipments	Computers and accessories	Vehicles	Total
----- Rupees-----					
COST					
Balance as at July 01, 2008	839,710	1,218,306	1,762,840	2,132,339	5,953,195
Addition during the year	258,183	18,209	41,796	-	318,179
Balance as at June 30, 2009	<u>1,097,893</u>	<u>1,236,506</u>	<u>1,804,636</u>	<u>2,132,339</u>	<u>6,271,374</u>
Balance as at July 01, 2009	1,097,893	1,236,506	1,804,636	2,132,339	6,271,374
Addition during the year	27,520	99,480	35,528	-	162,528
Balance as at June 30, 2010	<u>1,125,413</u>	<u>1,335,986</u>	<u>1,840,164</u>	<u>2,132,339</u>	<u>6,433,902</u>
ACCUMULATED DEPRECIATION					
Balance as at July 01, 2008	203,692	359,536	1,207,739	1,054,055	2,805,020
Charge for the year	89,420	89,697	198,966	215,657	593,740
Balance as at June 30, 2009	<u>293,112</u>	<u>429,233</u>	<u>1,406,705</u>	<u>1,269,710</u>	<u>3,398,760</u>
Balance as at July 01, 2009	293,112	429,233	1,406,705	1,269,710	3,398,760
Charge for the year	83,230	90,675	144,486	172,526	490,918
Balance as at June 30, 2010	<u>376,342</u>	<u>519,908</u>	<u>1,551,191</u>	<u>1,442,236</u>	<u>3,889,678</u>
Carrying amount June 30, 2009	<u>804,781</u>	<u>807,273</u>	<u>397,931</u>	<u>862,629</u>	<u>2,872,614</u>
Carrying amount June 30, 2010	<u>749,071</u>	<u>816,078</u>	<u>288,973</u>	<u>690,103</u>	<u>2,544,225</u>
Depreciation rates	10%	10%	33%	20%	

Note 2010 2009

Rupees-----

6 ADVANCES AND OTHER RECEIVABLES

Advances :

- against expenses
- against house rent- PPRA
- against motor vehicle - PPRA

Public Sector Capacity Building Project (PSCBP)

30,000	30,000
135,330	454,110
1,141,582	1,277,082
1,306,912	1,761,192
1,106,496	1,106,496
<u>2,413,408</u>	<u>2,867,688</u>

M/S

	<i>Note</i>	2010	2009
		R u p e e s -----	
7	CASH AND BANK		
	Cash in hand	-	-
	Cash at bank	6,428,006	3,491,834
		<u>6,428,006</u>	<u>3,491,834</u>
8	GENERAL FUND		
	Opening balance	9,178,969	29,966,086
	Surplus for the year	2,089,245	(20,787,117)
		<u>11,268,214</u>	<u>9,178,969</u>
9	CREDITORS AND ACCRUED LIABILITIES		
	General provident fund payable	1,780	3,025
	House rent charges	645	-
	Motor cycle expense - PPRA	5,000	-
	Audit fee payable	110,000	50,000
	Other payables	-	142
		<u>117,425</u>	<u>53,167</u>

10 CONTINGENCIES AND COMMITMENTS

There are no significant contingencies and commitments as at balance sheet date.

11 GOVERNMENT GRANT

This represents grant received from Government of Pakistan during the year 2009-10.

	<i>Note</i>	2010	2009
		R u p e e s -----	
12	OTHER INCOME		
	Tender Income	3,997,087	-
	Training Income	520,554	-
	Advertisement Income	380,000	-
	Interest Income	328,665	383,683
		<u>5,226,306</u>	<u>383,683</u>
13	SALARIES, ALLOWANCES AND BENEFITS		
	Salaries and wages	23,460,421	19,972,236
	Honorarium	1,089,373	1,015,295
	Medical reimbursement	1,866,978	1,445,035
	Post employment benefit	997,877	1,335,536
		<u>27,414,649</u>	<u>23,768,102</u>

✓✓✓

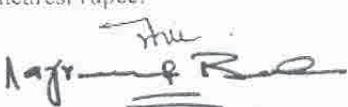
14 DATE OF AUTHORIZATION

These financial statements were authorized for issue on ----- by the Board of PPRA.

15 GENERAL

- Figures in these financial statements have been rounded off to the nearest rupee.

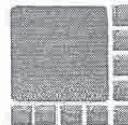
CHAIRMAN


MANAGING DIRECTOR

PUBLIC PROCUREMENT
REGULATORY AUTHORITY
(PPRA)

AUDIT FOR THE YEAR ENDED
JUNE 30, 2011

Zia Masood Kiani & Co. Chartered Accountants	
Called By:	
Called To:	Am 12pm
Casted By:	
Calculated By:	



AUDITORS' REPORT TO THE MANAGING BODY

We have audited the annexed balance sheet of Public Procurement and Regulatory Authority ("the Authority") as at June 30, 2011 and the related receipt and expenditure account together with the notes forming part thereof (here-in-after referred to as the financial statements) for the period then ended.

Management's Responsibility for the Financial Statements

It is the responsibility of the authority's management to establish and maintain a system of internal control and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects the financial position of the authority as at June 30, 2011 and of its surplus for the period then ended in accordance with the approved accounting standards as applicable in Pakistan.

ISLAMABAD
Date:

ZIA MASOOD KIANI & CO.,
Chartered Accountants

Engagement Partner
ZIA ULLAH

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Legato International Accounting Group

PUBLIC PROCUREMENT REGULATORY AUTHORITY

BALANCE SHEET AS AT JUNE 30, 2011

		Note	2011 Rupees	Restated 2010 Rupees
ASSETS				
Non Current Assets				
Property, plant and equipment	5		2,238,697	2,544,224
Current Assets				
Advances and other receivables	6		1,959,474	2,410,230
Cash and bank balances	7		19,819,823	6,428,006
			21,779,297	8,838,236
			<u>24,017,994</u>	<u>11,382,460</u>
FUNDS AND LIABILITIES				
General Fund	8		23,858,994	11,270,035
Current Liabilities				
Creditors and accrued liabilities	9		159,000	112,425
Contingencies and Commitments	11			
			<u>24,017,994</u>	<u>11,382,460</u>

*The annexed notes from 1 to 15 form an integral part of these financial statements.**Nagrath & Rao*

MANAGING DIRECTOR

CHAIRMAN

PUBLIC PROCUREMENT REGULATORY AUTHORITY
RECEIPT AND EXPENDIURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2011

		2011	Restated 2010
	Note	Rupees	Rupees
Income			
Grant	12	33,523,100	30,906,000
Other income	13	13,651,855	5,226,305
		47,174,955	36,132,306
Expenses			
Salaries, allowances and benefits	14	29,037,647	27,414,649
Non-salary expenditures			
Consultancy fee		128,275	860,670
Training and development		551,681	830,722
Traveling and conveyance		74,390	103,675
Repair and maintenance		212,185	578,273
Printing, stationary and office supplies		892,331	1,271,621
Communication		1,052,143	1,018,495
Newspaper and periodicals		115,144	103,570
Vehicle running and maintenance cost		1,520,383	949,399
Security services		239,458	200,400
Entertainment		45,441	64,596
Auditors' remuneration		49,000	60,000
Miscellaneous Expenses		56,216	48,947
Bank charges		178,177	47,126
		5,114,824	6,137,494
Depreciation		433,525	490,918
Surplus (Deficit) for the year		12,588,959	2,089,245

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHAIRMAN

Nagend Ram

MANAGING DIRECTOR

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Note 1

Status and Nature of Operations

Public Procurement Regulatory Authority - PPRA ("the Authority") was established on 15 May 2002 through Public Procurement Regulatory Authority Ordinance, 2002. Its office is situated at 1st Floor, Federal Bank for Cooperative Building, G-5/2, Islamabad Capital Territory.

The principal objective of the Authority is to monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to procurement of goods, services and works in the public sector.

Note 2

Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such Accounting and Financial Reporting Standards for Small Size Entities issued by the Institute of Chartered Accountants of Pakistan.

Note 3

Basis Of Preparation

3.1 Measurement

These financial statements have been prepared under the historical cost convention without any adjustments to the effects of inflation or current values.

3.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying Authority's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area where various assumptions and estimates are significant to the Authority's financial statements or where judgments were exercised in application of accounting policies is the useful life of operating fixed assets.

Note 4

Summary of Significant Accounting Policies

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.



Note 4, Summary of Significant Accounting Policies - Continued...

4.1 - Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged to receipt and expenditure account applying the reducing balance method. Cost includes expenditure that is directly attributable to the acquisition of the items. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work in progress.

These are transferred to specific assets as and when assets are available for use.

Subsequent costs are included in the assets carrying amounts only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Maintenance and repairs are charged to receipt and expenditure account as and when incurred. Major renewals and improvements which increases the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gain or loss on disposal of fixed assets, if any, are determined by comparing proceeds with the carrying amount and are recognized in the profit and loss account.

Depreciation is charged on written down value of assets at the rates mentioned in note 5 to the financial statements. Full annual rate of depreciation is applied in the year of purchase while no depreciation is charged in the year of disposal.

4.2 Impairment

The carrying values of the Authority's assets are reviewed for impairment annually when events or changes in circumstances indicate that the carrying values may not be recoverable. If such conditions exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amounts. Impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

4.3 Employees' benefits

a) Government Employees

Pension, Gratuity, G.P.Fund and other similar payments of Government employees transferred to PPRA are the liability of Government. Therefore, liability for retirement benefits of Government employees is not made in the financial statements. Monthly contributions are deposited in the individual accounts of employees with the Accountant General of Pakistan Revenue, Islamabad.

b) Employees on Contract

There are no retirement benefits available to contract employees.

4.4 Trade debts and other receivables

Trade debts are recognized at original invoice value which is the fair value of the consideration to be received less provision for uncollectible amounts. Provision for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written-off when there is no realistic prospect of recovery.

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Note 4, Summary of Significant Accounting Policies - Continued...

4.5 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, in finances under markup arrangements. Cash and cash equivalents also consist of bank overdrafts repayable on demand, if any.

4.6 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees (functional currency) at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Pak Rupees at a foreign exchange rate ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4.7 Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Authority and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably.

Grants related to assets are recognized as income on systematic and rational basis over the period necessary to match these with related expenditure.

Monetary grants, where no specific condition exist for utilization for such grants, are recognized on receipt basis.

Tender income is recognized on receipt basis.

Income generated from training / capacity building program is recognized as income when the related services are provided

Income on bank placements is recognized on accrual basis.

4.8 Taxation

Provision for income tax is not made in the financial statements being considered as exempted Government organization under section 49(2) of Income Tax Ordinance, 2001 under reference to Tax Free Number of 9010117-7 issued in favour of PPRA by the Federal Board of Revenue.

4.9 Provisions

Provisions are recognized when the Authority has a present (legal or constructive) obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

4.10 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liabilities simultaneously.



Note 4. Summary of Significant Accounting Policies - Continued...

4.11 Related party transactions

Related party transactions are carried out on a commercial terms, as approved by the Board.

4.12 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Authority's functional and presentation currency.

Note 5:

Property, Plant and Equipment

	Furniture & Fixtures	Office Equipments	Computers & Accessories	Vehicles	Total
----- Rupees -----					
Cost					
Balance as at July 01, 2009	1,097,893	1,236,506	1,804,636	2,132,339	6,271,374
Addition during the year	27,520	99,480	35,528	-	162,528
Balance as at June 30, 2010	<u>1,125,413</u>	<u>1,335,986</u>	<u>1,840,164</u>	<u>2,132,339</u>	<u>6,433,902</u>
Balance as at July 01, 2010	1,125,413	1,335,986	1,840,164	2,132,339	6,433,902
Addition during the year	-	-	127,997	-	127,997
Balance as at June 30, 2011	<u>1,125,413</u>	<u>1,335,986</u>	<u>1,968,161</u>	<u>2,132,339</u>	<u>6,561,899</u>
Depreciation					
Balance as at July 01, 2009	293,112	429,233	1,406,705	1,269,710	3,398,760
Charge for the year	83,230	90,675	144,486	172,526	490,918
Balance as at June 30, 2010	<u>376,342</u>	<u>519,908</u>	<u>1,551,191</u>	<u>1,442,236</u>	<u>3,889,678</u>
Balance as at July 01, 2010	376,342	519,908	1,551,191	1,442,236	3,889,678
Charge for the year	74,907	81,608	138,990	138,021	433,525
Balance as at June 30, 2011	<u>451,249</u>	<u>601,516</u>	<u>1,690,181</u>	<u>1,580,256</u>	<u>4,323,203</u>
Carrying amount June 30, 2010	719,071	816,078	288,973	690,103	2,544,224
Carrying amount June 30, 2011	<u>674,164</u>	<u>734,470</u>	<u>277,980</u>	<u>552,083</u>	<u>2,238,697</u>
Depreciation Rate	10%	10%	33%	20%	

Note 6

Advances and Other Receivables

			2011	Restated 2010
		Note	Rupees	Rupees
Advances				
- against expenses- TA/DA			30,000	30,000
- against house rent- PPRA	10		113,400	113,400
- against motor vehicle - PPRA	10		708,745	1,159,501
			852,145	1,302,901
Public Sector Capacity Building Project (PSCBP)			1,106,496	1,106,496
Account receivable - AGPR	10		833	833
			1,959,474	2,410,230

Note 7

Cash and Bank Balances

			2011	Restated 2010
		Note	Rupees	Rupees
Cash in hand				
Cash at bank	7.1		19,819,823	6,428,006
			19,819,823	6,428,006
7.1 Cash at bank				
- Current accounts	7.2		19,819,823	6,428,006
- Saving account			19,819,823	6,428,006
7.2	This carry profit at the rate of 6 % (2010: 6 %) on monthly average balance and profit is paid on dates 30 June and 31 December of the respective year.			

Note 8

General Fund

			2011	Restated 2010
		Note	Rupees	Rupees
Opening balance			11,270,035	9,178,969
Restatement in opening balance	10		-	1,821
Surplus for the year			12,588,959	2,089,245
			23,858,994	11,270,035

Note 9

Creditors and Accrued Liabilities

			2011	Restated 2010
		Note	Rupees	Rupees
General provident fund payable			-	1,780
House rent charges			-	645
Motor cycle expense - PPRA	10		-	-
Audit fee payable			159,000	110,000
			159,000	112,425

[Signature]

Note 10
Restatement

During the year, the Authority has rectified prior year error in respect of recording of advance against house rent and motor vehicle. Previously, the Authority has over recorded the advance against house rent and under recorded the advances against motor vehicle, moreover payable against motor cycle expenses has been overstated and receivable from AGPR has not been booked. Now this has been corrected retrospectively and the comparative figures have been restated in accordance with Generally Accepted Accounting Principles and approved accounting standards as applicable in Pakistan as discussed below.

	As Originally reported 30 June, 2010	Effect of error		Restated Amount 30 June, 2010
		2010	Prior to 2010	
	Rupees	Rupees	Rupees	Rupees
Restatement in Balance sheet				
Assets				
Advance House rent	135,330	(21,930)	—	113,400
Advance Motor car	1,141,582	17,918	—	1,159,500
Receivable from AGPR	—	833	—	833
Liabilities				
Motor cycle expense - PPRA	(5,000)	5,000	—	—
Accumulated general fund	(11,268,214)	1,821	—	(11,266,393)

Note 11
Contingencies and Commitments

There were no contingencies and commitments as at the year end (2010: Nil).

Note 12
Government Grant

This represents grant received from Government of Pakistan during the year 2010-11.

Note 13
Other Income

	Note	2011	Restated 2010
		Rupees	Rupees
Tender Income		12,714,865	3,997,087
Training Income		555,613	520,554
Advertisement Income		—	380,000
Interest Income		381,377	328,665
		<u>13,651,855</u>	<u>5,226,306</u>

[Signature]

Note 14

Salaries, Allowances and Benefits

	Note	2011 Rupees	Restated 2010 Rupees
Salaries and wages		26,581,934	23,460,421
Honorarium			1,089,373
Medical reimbursement		1,598,550	1,866,978
Post employment benefit		857,163	997,877
		<u>29,037,647</u>	<u>27,414,649</u>

Note 15

General

15.1 Figures in these financial statements have been rounded off to the nearest rupee.

15.2 These financial statements were authorized for issue on _____ by the Board of PPRA.

CHAIRMAN



MANAGING DIRECTOR

PUBLIC PROCUREMENT
REGULATORY AUTHORITY
(PPRA)

AUDIT FOR THE YEAR ENDED
JUNE 30, 2012

Zia Masood Kiani & Co. Chartered Accountants	
Called By:	Asad
Called To:	Bilal
Casted By:	Bilal
Calculated By:	Asad



AUDITORS' REPORT TO THE MANAGING BODY

We have audited the annexed balance sheet of Public Procurement and Regulatory Authority ("the Authority") as at June 30, 2012 and the related receipt and expenditure account together with the notes forming part thereof (here-in-after referred to as the financial statements) for the period then ended.

Management's Responsibility for the Financial Statements

It is the responsibility of the authority's management to establish and maintain a system of internal control and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly in all material respects the financial position of the authority as at June 30, 2012 and of its surplus for the period then ended in accordance with the approved accounting standards as applicable in Pakistan.

ISLAMABAD
Date:

ZIA MASOOD KIANI & CO.,
Chartered Accountants

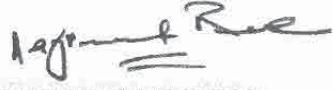
Engagement Partner
ZIA ULLAH

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PARTNERS FOR SUCCESS
GMN International is a network of
quality accountants and advisors from

PUBLIC PROCUREMENT REGULATORY AUTHORITY

BALANCE SHEET AS AT JUNE 30, 2012

		Note	2012 Rupees	2011 Rupees
ASSETS				
Non Current Assets				
Property, plant and equipment	5		1,902,677	2,238,697
Current Assets				
Advances and other receivables	6		1,922,489	1,959,474
Short term investment	7		32,278,180	-
Cash and bank balances	8		5,718,503	19,819,823
			39,919,172	21,779,297
			<u>41,821,849</u>	<u>24,017,994</u>
FUNDS AND LIABILITIES				
General Fund	9		41,613,491	23,858,994
Current Liabilities				
Creditors and accrued liabilities	10		208,358	159,000
Contingencies and Commitments	11		-	-
			<u>41,821,849</u>	<u>24,017,994</u>

*The annexed notes from 1 to 15 form an integral part of these financial statements.**YMK*

 MANAGING DIRECTOR

CHAIRMAN

PUBLIC PROCUREMENT REGULATORY AUTHORITY
RECEIPT AND EXPENDIURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012

		2012	2011
	Note	Rupees	Rupees
Income			
Grant	12	33,585,000	33,523,100
Other Income	13	16,908,224	13,651,855
		50,493,224	47,174,955
Expenses			
Salaries, allowances and benefits	14	27,600,794	29,037,647
Non-salary expenditures			
Consultancy fee		-	128,275
Training and development		588,751	551,681
Traveling and conveyance		1,000	74,390
Repair and maintenance		621,045	212,185
Printing, stationary and office supplies		714,736	892,331
Communication		814,549	1,052,143
Newspaper and periodicals		105,223	115,144
Vehicle running and maintenance cost		1,290,413	1,520,883
Security services		247,046	239,458
Entertainment		22,981	45,441
Auditors' remuneration		49,000	49,000
Miscellaneous Expenses		34,029	56,216
Bank charges		304,341	178,177
		4,793,114	5,115,324
Depreciation		344,820	433,526
Surplus (Deficit) for the year		17,754,497	12,588,458

The annexed notes from 1 to 14 form an integral part of these financial statements.



MANAGING DIRECTOR

CHAIRMAN

PUBLIC PROCUREMENT REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Note 1

Status and Nature of Operations

Public Procurement Regulatory Authority - PPRA ("the Authority") was established on 15 May 2002 through Public Procurement Regulatory Authority Ordinance, 2002. Its office is situated at 1st Floor, Federal Bank for Cooperative Building, G-5/2, Islamabad Capital Territory.

The principal objective of the Authority is to monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to procurement of goods, services and works in the public sector.

Note 2

Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such Accounting and Financial Reporting Standards for Small Size Entities issued by the Institute of Chartered Accountants of Pakistan.

Note 3

Basis Of Preparation

3.1 Measurement

These financial statements have been prepared under the historical cost convention without any adjustments to the effects of inflation or current values.

3.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying Authority's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area where various assumptions and estimates are significant to the Authority's financial statements or where judgments were exercised in application of accounting policies is the useful life of operating fixed assets.

Note 4

Summary of Significant Accounting Policies

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.



Note 4, Summary of Significant Accounting Policies - Continued.

4.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged to receipt and expenditure account applying the reducing balance method. Cost includes expenditure that is directly attributable to the acquisition of the items. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work in progress.

These are transferred to specific assets as and when assets are available for use.

Subsequent costs are included in the assets carrying amounts only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Maintenance and repairs are charged to receipt and expenditure account as and when incurred. Major renewals and improvements which increases the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gain or loss on disposal of fixed assets, if any, are determined by comparing proceeds with the carrying amount and are recognized in the profit and loss account.

Depreciation is charged on written down value of assets at the rates mentioned in note 5 to the financial statements. Full annual rate of depreciation is applied in the year of purchase while no depreciation is charged in the year of disposal.

4.2 Impairment

The carrying values of the Authority's assets are reviewed for impairment annually when events or changes in circumstances indicate that the carrying values may not be recoverable. If such conditions exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amounts. Impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

4.3 Employees' benefits

a) Government Employees

Pension, Gratuity, G.P.Fund and other similar payments of Government employees transferred to PPRA are the liability of Government. Therefore, liability for retirement benefits of Government employees is not made in the financial statements. Monthly contributions are deposited in the individual accounts of employees with the Accountant General of Pakistan Revenue, Islamabad.

b) Employees on Contract

There are no retirement benefits available to contract employees.

4.4 Trade debts and other receivables

Trade debts are recognized at original invoice value which is the fair value of the consideration to be received less provision for uncollectible amounts. Provision for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written-off when there is no realistic prospect of recovery.

[Signature]

Note 4, Summary of Significant Accounting Policies - Continued.

4.5 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, in finances under markup arrangements.

Cash and cash equivalents also consist of bank overdrafts repayable on demand, if any.

4.6 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees (functional currency) at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Pak Rupees at a foreign exchange rate ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4.7 Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Authority and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably.

Grants related to assets are recognized as income on systematic and rational basis over the period necessary to match these with related expenditure.

Monetary grants, where no specific condition exist for utilization for such grants, are recognized on receipt basis.

Tender income is recognized on receipt basis.

Income generated from training / capacity building program is recognized as income when the related services are provided.

Income on bank placements is recognized on accrual basis.

4.8 Taxation

Provision for income tax is not made in the financial statements being considered as exempted Government organization under section 49(2) of Income Tax Ordinance, 2001 under reference to Tax Free Number of 9010117-7 issued in favour of PPRA by the Federal Board of Revenue.

4.9 Provisions

Provisions are recognized when the Authority has a present (legal or constructive) obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

4.10 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liabilities simultaneously.

[Signature]

Note 4, Summary of Significant Accounting Policies - Continued...

4.11 Related party transactions

Related party transactions are carried out on a commercial terms, as approved by the Board.

4.12 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Authority's functional and presentation currency.

Note 5

Property, Plant and Equipment

	Furniture & Fixtures	Office Equipments	Computers & Accessories	Vehicles	Total
Rupees					
Cost					
Balance as at July 01, 2010	1,125,413	1,335,986	1,840,164	2,132,339	6,433,902
Addition during the year	-	-	127,997	-	127,997
Balance as at June 30, 2011	1,125,413	1,335,986	1,968,161	2,132,339	6,561,899
Balance as at July 01, 2011	1,125,413	1,335,986	1,968,161	2,132,339	6,561,899
Addition during the year	-	8,800	-	-	8,800
Balance as at June 30, 2012	1,125,413	1,344,786	1,968,161	2,132,339	6,570,699
Depreciation					
Balance as at July 01, 2010	376,342	519,908	1,551,191	1,442,236	3,889,678
Charge for the year	74,907	81,608	138,990	138,021	433,526
Balance as at June 30, 2011	451,249	601,516	1,690,181	1,580,257	4,323,204
Balance as at July 01, 2011	451,249	601,516	1,690,181	1,580,257	4,323,203
Charge for the year	67,416	74,327	92,660	110,416	344,820
Balance as at June 30, 2012	518,665	675,843	1,782,841	1,690,673	4,668,023
Carrying amount June 30, 2011	674,164	734,470	277,980	552,082	2,238,696
Carrying amount June 30, 2012	606,748	668,943	185,320	441,666	1,902,677
Depreciation Rate	10%	10%	33%	20%	

Note 6

Advances and Other Receivables

	Note	2012 Rupees	2011 Rupees
Advances			
- against expenses- TA/DA		30,000	30,000
- against house rent- PPRA		113,400	113,400
- against motor vehicle - PPRA		671,760	708,745
		815,160	852,145
Public Sector Capacity Building Project (PSCBP)		1,106,496	1,106,496
Account receivable - AGPR		833	833
		1,922,489	1,959,474

Note 7

Short term investment

	Note	2012 Rupees	2011 Rupees
T-Bills purchased from MCB Bank Limited	7.1	32,278,180	-

7.1 This represents amount invested in T-Bills from Muslim Commercial Bank Limited for tenor of six months at annual yield of 11.25%.

Note 8

Cash and Bank Balances

	Note	2012 Rupees	2011 Rupees
Cash in hand		-	-
Cash at bank	8.1	5,718,503	19,819,823

8.1 **Cash at bank**

- Current accounts	8.2	5,718,503	19,819,823
- Saving account		5,718,503	19,819,823

8.2 This carry profit at the rate of 6 % (2011: 6 %) on monthly average balance and profit is paid on dates 30 June and 31 December of the respective year.

Note 9

General Fund

	Note	2012 Rupees	2011 Rupees
Opening balance		23,858,994	11,270,035
Surplus for the year		17,754,497	12,588,959

Note 10

Creditors and Accrued Liabilities

	Note	2012 Rupees	2011 Rupees
W.H.T payable		358	-
Audit fee payable		208,000	159,000

Note 11
Contingencies and Commitments

There were no contingencies and commitments as at the year end (2011: Nil).

Note 12
Government Grant

This represents grant received from Government of Pakistan during the year 2011-12.

Note 13
Other Income

	Note	2012 Rupees	2011 Rupees
Tender Income		15,279,194	12,714,865
Training Income		531,600	555,613
Interest Income		1,097,430	381,377
		<u>16,908,224</u>	<u>13,651,855</u>

Note 14
Salaries, Allowances and Benefits

	Note	2012 Rupees	2011 Rupees
Salaries and wages		22,796,258	26,581,934
Honorarium		2,293,400	-
Medical reimbursement		1,380,212	1,598,550
Post employment benefit		1,130,924	857,163
		<u>27,600,794</u>	<u>29,037,647</u>

Note 15
General

15.1 Figures in these financial statements have been rounded off to the nearest rupee.

15.2 These financial statements were authorized for issue on _____ by the Board of PPRA.

CHAIRMAN

MANAGING DIRECTOR



PUBLIC PROCUREMENT REGULATORY AUTHORITY
BALANCE SHEET AS AT JUNE 30, 2013

		2013	2012
	Note	Rupees	Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	5	4,760,230	1,902,677
Current Assets			
Advances and other receivables	6	2,185,703	1,922,489
Short term investment	7	51,197,785	32,278,180
Cash and bank balances	8	4,128,267	5,718,503
		<u>57,811,755</u>	<u>39,919,172</u>
		<u>62,571,985</u>	<u>41,821,849</u>
FUNDS AND LIABILITIES			
General Fund	9	62,407,985	41,613,491
Current Liabilities			
Creditors and accrued liabilities	10	164,000	208,358
Contingencies and Commitments	11		
		<u>62,571,985</u>	<u>41,821,849</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

CHAIRMAN

MANAGING DIRECTOR

PUBLIC PROCUREMENT REGULATORY AUTHORITY
RECEIPT AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013

		2013	2012
	Note	Rupees	Rupees
Income			
Grant	12	42,000,000	33,585,000
Other Income:	13	17,751,891	16,908,224
		59,751,891	50,493,224
Expenses			
Salaries, allowances and benefits	14	31,517,840	27,600,794
Non-salary expenditures			
Consultancy fee		138,000	-
Training and development		640,578	588,751
Traveling and conveyance		463,150	1,000
Repair and maintenance		932,175	621,045
Printing, stationary and office supplies		1,075,633	714,736
Communication		962,635	814,549
Newspaper and periodicals		114,989	105,223
Vehicle running and maintenance cost		1,380,292	1,290,413
Security services		296,950	247,046
Entertainment		194,332	22,981
Auditors' remuneration		60,000	49,000
Advertisement and publicity		11,681	-
Miscellaneous expenses		64,150	34,029
Bank charges		105,435	304,341
		6,440,000	4,793,114
Depreciation		999,557	344,819
Surplus (Deficit) for the year		<u>20,794,491</u>	<u>17,754,497</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

CHAIRMAN

Nafisat
MANAGING DIRECTOR

PUBLIC PROCUREMENT REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

Note 1

Status and Nature of Operations

Public Procurement Regulatory Authority - PPRA ("the Authority") was established on 15 May 2002 through Public Procurement Regulatory Authority Ordinance, 2002. Its office is situated at 1st Floor, Federal Bank for Cooperative Building, G-5/2, Islamabad Capital Territory.

The principal objective of the Authority is to monitor application of the laws, rules, regulations, policies and procedures in respect of, or relating to procurement of goods, services and works in the public sector.

Note 2

Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such Accounting and Financial Reporting Standards for Small Size Entities issued by the Institute of Chartered Accountants of Pakistan.

Note 3

Basis Of Preparation

3.1 Measurement

These financial statements have been prepared under the historical cost convention without any adjustments to the effects of inflation or current values.

3.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying Authority's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area where various assumptions and estimates are significant to the Authority's financial statements or where judgments were exercised in application of accounting policies is the useful life of operating fixed assets.

Note 4

Summary of Significant Accounting Policies

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.



Note 4, Summary of Significant Accounting Policies - Continued.

4.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged to receipt and expenditure account applying the reducing balance method. Cost includes expenditure that is directly attributable to the acquisition of the items. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work in progress.

These are transferred to specific assets as and when assets are available for use.

Subsequent costs are included in the assets carrying amounts only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Maintenance and repairs are charged to receipt and expenditure account as and when incurred. Major renewals and improvements which increases the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gain or loss on disposal of fixed assets, if any, are determined by comparing proceeds with the carrying amount and are recognized in the profit and loss account.

Depreciation is charged on written down value of assets at the rates mentioned in note 5 to the financial statements. Full annual rate of depreciation is applied in the year of purchase while no depreciation is charged in the year of disposal.

4.2 Impairment

The carrying values of the Authority's assets are reviewed for impairment annually when events or changes in circumstances indicate that the carrying values may not be recoverable. If such conditions exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amounts. Impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

4.3 Employees' benefits

a) Government Employees

Pension, Gratuity, G.P.Fund and other similar payments of Government employees transferred to PPRA are the liability of Government. Therefore, liability for retirement benefits of Government employees is not made in the financial statements. Monthly contributions are deposited in the individual accounts of employees with the Accountant General of Pakistan Revenue, Islamabad.

b) Employees on Contract

There are no retirement benefits available to contract employees.

4.4 Trade debts and other receivables

Trade debts are recognized at original invoice value which is the fair value of the consideration to be received less provision for uncollectible amounts. Provision for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written-off when there is no realistic prospect of recovery.

Note 4, Summary of Significant Accounting Policies - Continued...

4.5 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, in finances under markup arrangements.

Cash and cash equivalents also consist of bank overdrafts repayable on demand, if any.

4.6 Foreign currency transaction

Transactions in foreign currencies are translated into Pak Rupees (functional currency) at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Pak Rupees at a foreign exchange rate ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4.7 Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Authority and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably.

Grants related to assets are recognized as income on systematic and rational basis over the period necessary to match these with related expenditure.

Monetary grants, where no specific condition exist for utilization for such grants, are recognized on receipt basis.

Tender income is recognized on receipt basis

Income generated from training / capacity building program is recognized as income when the related services are provided

Income on bank placements is recognized on accrual basis.

4.8 Taxation

Provision for income tax is not made in the financial statements being considered as exempted Government organization under section 49(2) of Income Tax Ordinance, 2001 under reference to Tax Free Number of 9010117-7 issued in favor of PPRA by the Federal Board of Revenue.

4.9 Provisions

Provisions are recognized when the Authority has a present (legal or constructive) obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

4.10 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liabilities simultaneously.



Note 4, Summary of Significant Accounting Policies. Continued.

4.11 Related party transactions

Related party transactions are carried out on a commercial terms, as approved by the Board.

4.12 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Authority's functional and presentation currency.

Note 5

Property, Plant and Equipment

	Furniture & Fixtures	Office Equipments	Computers & Accessories	Vehicles	Total
R u p e e s					
Cost					
Balance as at July 01, 2011	1,125,413	1,335,986	1,968,161	2,132,339	6,561,899
Addition during the year		8,800			8,800
Balance as at June 30, 2012	1,125,413	1,344,786	1,968,161	2,132,339	6,570,699
Balance as at July 01, 2012	1,125,413	1,344,786	1,968,161	2,132,339	6,570,699
Addition during the year	1,206,477	1,186,336	1,464,297		3,857,110
Balance as at June 30, 2013	2,331,890	2,531,122	3,432,458	2,132,339	10,427,809
Depreciation					
Balance as at July 01, 2011	451,249	601,516	1,690,181	1,580,257	4,323,203
Charge for the year	67,416	74,327	92,660	110,416	344,819
Balance as at June 30, 2012	518,665	675,843	1,782,841	1,690,673	4,668,022
Balance as at July 01, 2012	518,665	675,843	1,782,841	1,690,673	4,668,022
Charge for the year	181,323	185,528	544,374	88,333	999,557
Balance as at June 30, 2013	699,988	861,371	2,327,215	1,779,006	5,667,579
Carrying amount June 30, 2012	606,748	668,943	185,320	411,666	1,902,677
Carrying amount June 30, 2013	1,631,903	1,669,751	1,105,243	353,333	4,760,230
Depreciation Rate	10%	10%	33%	20%	<i>✓</i>

Note 6

Advances and Other Receivables

	Note	2013 Rupees	2012 Rupees
Advances to Employees			
- against expenses- TA/DA		30,000	30,000
- against house rent- PPRA		113,400	113,400
- against motor vehicle - PPRA		540,240	671,760
Accrued Interest		202,530	
Advance Income Tax		192,204	
Public Sector Capacity Building Project (PSCBP)		1,106,496	1,106,496
Account receivable- AGPR		833	833
		<u>2,185,703</u>	<u>1,922,489</u>

Note 7

Short term investment

	Note	2013 Rupees	2012 Rupees
T-Bills purchased from National Bank of Pakistan	7.1	51,197,785	32,278,180
7.1 This represents amount invested in T-Bills from National Bank of Pakistan for tenor of three months at annual yield of 9.10%.			
Note 8			

Cash and Bank Balances

	Note	2013 Rupees	2012 Rupees
Cash in hand			
Cash at bank	8.1	4,428,268	5,718,503
		<u>4,428,268</u>	<u>5,718,503</u>
8.1 Cash at bank			
- Current accounts			
- Saving account			
8.2 This carry profit at the rate of 6 % (2012: 6 %) on monthly average balance and profit is paid on dates 30 June and 31 December of the respective year.			

Note 9

General Fund

	Note	2013 Rupees	2012 Rupees
Opening balance		41,613,491	23,858,994
Surplus for the year		20,794,494	17,754,497
		<u>62,407,985</u>	<u>41,613,491</u>

Note 10

Creditors and Accrued Liabilities

	Note	2013 Rupees	2012 Rupees
W.H.T payable		-	358
Audit fee payable		158,000	208,000
		<u>158,000</u>	<u>208,358</u>

Note 11

Contingencies and Commitments

There were no contingencies and commitments as at the year end (2012: Nil).

Note 12

Government Grant

This represents grant received from Government of Pakistan during the year 2012-13.

Note 13

Other Income

	Note	2013 Rupees	2012 Rupees
Tender Income		13,602,927	15,279,194
Training Income		481,830	531,600
Interest Income		909,564	1,097,430
Profit on Investment		2,757,570	-
		<u>17,751,891</u>	<u>16,908,224</u>

Note 14

Salaries, Allowances and Other Benefits

	Note	2013 Rupees	2012 Rupees
Salaries and wages		26,565,627	22,796,258
Honorarium		2,398,280	2,293,400
Medical reimbursement		1,472,580	1,380,212
Post employment benefit		1,081,353	1,130,924
		<u>31,517,840</u>	<u>27,600,794</u>

Note 15

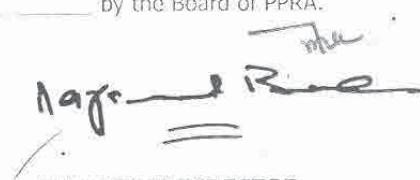
General

15.1 Figures in these financial statements have been rounded off to the nearest rupee.

15.2 These financial statements were authorized for issue on _____ by the Board of PPRA.

CHAIRMAN

MANAGING DIRECTOR





PPRA

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