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## GOVERNMENT OF BALOCHISTAN

### FINANCE DEPARTMENT

(Monitoring Section)

Dated Quetta the 15<sup>th</sup> December, 2014

### NOTIFICATION

No.FD-SO(Mont:) 1-31/BPPRA/2014/3725-3940. In exercise of the powers conferred by section 27 of the Balochistan Public Procurement Regularity Authority Act, 2009 (Balochistan Act No. VIII of 2009), the Government of Balochistan is pleased to make the following rules, namely:—

## PART- I

### PRELIMINARY

#### A — TITLE, DEFINITIONS, SCOPE AND APPLICABILITY

1. **Short title and commencement—** (1) These rules shall be called the Balochistan Public Procurement Rules, 2014.

(2) They shall come into force at once.

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

- (a) **“Act”** means the Balochistan Public Procurement Regularity Authority Act, 2009 (Balochistan Act No. VIII of 2009).
- (b) **“Authority”** means the Balochistan Public Procurement Regulatory Authority established under section 3 of the Act;
- (c) **“Bid”** means a tender, or an offer by a person, consultant, firm, company or an organization expressing willingness to undertake a specified task at a price, in response to an invitation by a Procuring Agency;

- (d) **“Bidding Documents”** means the documents notified by the Authority for preparation of bids in a uniform manner;
- (e) **“Bidding Process”** means the procurement procedure under which sealed bids are invited, received, opened, examined and evaluated for the purpose of awarding a contract;
- (f) **“Blacklisting”** means barring a bidder, contractor, consultant or supplier from participating in any future procurement proceedings by the Procuring Agency;
- (g) **“Calendar Days”** means days including all holidays;
- (h) **“Competent Authority”** means the concerned officer of a Procuring Agency empowered to exercise the financial powers and approve the award of contract for procurement of goods, works or services, as the case may be;
- (i) **“Conflict of Interest”** means—
  - (i) where a contractor, supplier or consultant provides, or could provide, or could be perceived as providing biased professional advice to a Procuring Agency to obtain an undue benefit for himself or those affiliated with him;
  - (ii) receiving or giving any remuneration directly or indirectly in connection with the assignment except as provided in the contract;
  - (iii) any engagement in consulting or other procurement activities of a contractor, consultant or service provider that conflicts with his role or relationship with the Procuring Agency under the contract; *and*
  - (iv) where an official of the procuring agency engaged in the procurement process has a financial or economic interest in the outcome of the process of procurement, in a direct or an indirect manner;
- (j) **“Consultant”** means a professional who can study, design, organize, evaluate and manage projects or assess, evaluate and provide specialist advice or give technical assistance for making or drafting policies, institutional reforms and includes private entities, consulting firms, legal advisors, legislative drafters, engineering firms, construction managers, management firms, procurement agents, inspection agents, auditors, international and multinational

organizations, investment and merchant banks, universities, research institutions, government agencies, non- governmental organizations, and individuals;

- (k) **“Consulting Services”** means services requiring adequate external technical and professional expertise that are beyond the capability and/or capacity of the government to undertake such advisory and intellectual nature of inputs which are provided by consultants using their professional skills;
- (l) **“Contract”** means an agreement enforceable by law and includes General and Special Conditions, Specifications, Drawings and Bill of Quantities;
- (m) **“Contractor”** means a person, firm, company or organization that undertakes to execute works including services related thereto, other than consulting services, incidental to or required for the contract being undertaken for the works;
- (n) **“Corrupt and Fraudulent Practices”** means either one or any combination of the practices given below—
  - (i) **“Coercive Practice”** means any impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party;
  - (ii) **“Collusive Practice”** means any arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the Procuring Agency to establish prices at artificial, non-competitive levels for any wrongful gain;
  - (iii) **“Corrupt Practice”** means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the acts of another party for wrongful gain;
  - (iv) **“Fraudulent Practice”** means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; *and*
  - (v) **“Obstructive Practice”** means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the

execution of a contract or deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements before investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of inspection and audit rights provided for under the Rules;

- (o) **“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;
- (p) **“Goods”** means articles and object of every kind and description including raw materials, drugs and medicines, products, equipment, machinery, spares and commodities in any form, including solid, liquid and gaseous form, and includes services identical 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;
- (q) **“Government”** means the Government of Balochistan;
- (r) **“Head of the Department”** means the administrative head of the department or the organization;
- (s) **“Lowest Evaluated Bid”** means a bid closely conforming to evaluation criteria and other conditions specified in the bidding document, having lowest evaluated cost;
- (t) **“Lowest Submitted Price”** means the lowest price quoted in a bid, which is otherwise not substantially responsive;
- (u) **“Mis-procurement”** means public procurement in contravention of any provision of the Act, rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement;
- (v) **“National Company or Firm”** means any enterprise, firm or company set up or incorporated in Pakistan;

- (w) **“Notice Inviting Tender”** means the notice issued by a Procuring Agency through publication in the newspapers or through electronic means for the purpose of inviting bids, or applications for pre-qualifications, or expression of interests, which may include Tender Notice, Invitation for Bids, Notice for Pre-qualifications or Request for Expression of Interests;
- (x) **“Open Competitive Bidding”** means a specified procedure defined under these Rules, advertised in the prescribed manner, leading to the award of a contract whereby all interested persons, firms, companies or organizations may bid for the contract and includes both National and International Competitive Biddings;
- (y) **“Party or Parties”** means all entities that may have a direct or indirect influence on procurement proceeding;
- (z) **“Procurement Proceedings”** means all procedures written or oral relating to public procurement, starting from solicitation of bids up to award of contract;
- (aa) **“Services”** means any object of procurement other than goods or works, and includes consultancy services;
- (bb) **“Supplier”** means a person, firm, company or an organization that undertakes to supply goods and services related thereto, other than consulting services, required for the contract;
- (cc) **“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 Act, and if not defined there, as in the ordinary usage of language.

3. **Scope and applicability.** — Save as otherwise provided, these rules shall apply to all procurements for goods, works, services including consultancy services, carried out by all procuring agencies whether within or outside the Balochistan.

## **B — PRINCIPLES, LANGUAGE AND PROCUREMENT COMMITTEES**

4. **Principles of procurements.** — While procuring goods, works or services, Procuring Agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical

**5. Conflict with International and Inter-Governmental Agreements. —**

In the event that these rules are inconsistent with, or in conflict with, any obligation or commitment of Government arising out of an international treaty or an agreement with a foreign country or countries, or any international financial institution, the provisions of such international treaty or agreement shall override the provisions of these Rules to the extent of that inconsistency or conflict as the case may be.

**6. Language.—** (1) All communications and documentation related to procurements of Government shall be in English or Urdu:

Provided that notice inviting tenders, notices for pre-qualifications and request for expressions of interest shall be issued in aforementioned two languages.

(2) In case of any dispute reference shall be made to the original documentation retained on record and decision shall be made in accordance with such original documentation.

**7. Constitution of Procurement Committees. —** The Procuring Agency shall, with approval of its Head of the Department, constitute as many procuring committees, as it deems fit, each comprising of odd number of persons and headed by an officer not below the rank of BPS-18, or if not available, the officer of the highest grade, and shall ensure that at least one third of the members of a Procurement Committee are from the agencies or departments other than the Procuring Agency.

**8. Functions and Responsibilities of Procurement Committee(s). —** The Procurement Committee(s) shall be responsible for—

- (a) overseeing to ensure consistency of procurement proceedings with the rules;
- (b) carrying out technical as well as financial evaluation of the proposals and bids;
- (c) performing post-qualification and other validation tasks prior to award;
- (d) preparing evaluation report as provided in **rule 40**;
- (e) making recommendations for the award of contract to the competent authority; *and*
- (f) performing any other function ancillary and incidental to the above.

**C — MAINTENANCE OF RECORD**

9. **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 or date of completion of audit whichever is later.

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

10. **Transparency.** — The Procuring Agency shall, immediately upon award of contract, make the evaluation report of the bid, and the contract agreement public through uploading it on the Authority's website as well as on Procuring Agency's website, if the Procuring Agency has such a website:

Provided where the Procuring Agency is convinced that disclosure of any information related to the award of a contract shall be against the public interest or may jeopardize national security, it can withhold only such information from public disclosure, subject to the prior approval of the Government.

## **PART- II**

### **PROCUREMENT OF GOODS, WORKS AND RELATED SERVICES**

#### **A — PROCUREMENT PLANNING**

11. **Procurement Planning.** — (1) **Mandatory Provision of Procurement Planning.**— For each financial year all Procuring Agencies shall prepare annual plans in detail for all their proposed procurements, determining the requirement of the Procuring Agency, within its available resources. The Procurements plans thus prepared shall be uploaded on Authority's website and on websites of the respective procuring agency if available.

(2) **Review and Update**— The procurement plan prepared for any project shall be reviewed and updated throughout the life of the project, such as estimates of time requirements, availability of funds, assumptions about institutional capacity, changing priorities and other factors that require plan adjustments for the success of the project. Such required adjustments will not invalidate the plan if made for improving the plan in the interest of the successful and timely completion of the project.

12. **Limitation on Splitting or Regrouping of Proposed Procurement.** — (1) The Procuring Agencies shall not split or package a procurement plan with the intention to shorten or facilitate the procurement process and approval mechanism, unless the procuring agency is satisfied that:

- a. block acquisition of goods, services or works will unnecessarily hold up available resources;
- b. technical reasons indicate that splitting or packaging will improve quality;
- c. The impact of weather, geographical spread on certain procurement particularly in case of works contract will affect its execution with regard to quality and delivery schedule.
- d. An emergency exists as defined in rule 2(o).

Provided that any splitting or packaging shall be made part of the revised procurement plan and uploaded on the Authority's website as well as on the website of the procuring agency, if functional.

(2) The annual or longer rolling plan, as the case may be, thus prepared, will be posted in advance on the Authority's website as well as on website of the Procuring Agency, in case the Procuring Agency has its own website.

**13. Specifications.** — (1) 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 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".

(2) Procurement of used or reconditioned equipment, plant or machinery is not permissible in any case whatsoever:

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.

**14. Approval Mechanism.**— The Procurement Committee shall submit the bid evaluation report with its recommendations for award of contract, to the approving authority in accordance with the Delegation of Powers under the Financial Rules and the Power of Re-appropriation Rules 2008 issued by Finance Department Government of Balochistan, in an expeditious manner, so that the award can be notified before expiry of the bid validity period.

## **B — NOTIFICATION AND ADVERTISEMENTS**

**15. Methods of Notification and Advertisement.** — (1) Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority's website. These Procurement opportunities may also be advertised in print media in the manner and format as prescribed in these rules, if deemed necessary by the Procuring Agency.



(2) All procurements opportunities over one million rupees shall be advertised on the Authority's website as well as in the newspapers as prescribed in these rules.

(3) The advertisement in the newspapers shall be published in at least two widely circulated **leading** dailies of English **and** Urdu languages.

(4) The notice inviting tender shall at minimum contain the following information:-

- (a) name, postal address, telephone number(s), fax number, e-mail address (if available) of the Procuring Agency;
- (b) purpose and scope of the project;
- (c) broad qualification and eligibility criteria;
- (d) schedule of availability of bidding documents, submission and opening of bids, mentioning place from where bidding documents would be issued, submitted and would be opened;
- (e) amount and manner of payment of tender fee and bid security; **and**
- (f) any other information that the Procuring Agency may deem appropriate to disseminate at this stage.

(5) In cases, the Procuring Agency has its own website; it shall also paste all advertisements concerning procurement on that website as well.

(6) A Procuring Agency utilizing electronic media shall ensure that the information posted on the website contains all the information mentioned in sub-rule (4) above.

(7) In the case of international competitive bidding, the notice shall be advertised in two English newspapers widely circulated and read in Pakistan, in accordance to the above sub-rules (1), (3), (4) and (5); and shall also be placed in at least one international magazine or international journal of repute having wide international circulation and also pasted on a publicly accessible Website dedicated for the particular goods, works or services, or any widely circulated English language international newspaper.

(8) In situations where an entity is restricted by circumstances beyond its control it shall seek exemption from requirements of sub-rule (2) and (7) from authority and seek to use resources that do not undermine the principle of transparency and equal opportunity.

**16. Response Time.—** (1) The Procuring Agency shall give due consideration to the scope, magnitude and nature of procurement, while deciding the response time which shall not be less than fifteen (15) calendar days from the date of publication of Notice

Inviting Tender in the newspapers or uploading on the website, as the case may be, in case of National Competitive Bidding, and shall not be less than forty five days (45) from the date of publication of Notice Inviting Tender in the newspapers or uploading on the website, in case of International Competitive Bidding:

Provided that Notice Inviting Tenders (NIT) shall be hoisted on Authority 'website in case of procurement up to rupees one million and published in newspapers in case of over one million on or before the date of issuance of bidding documents.

(2) Procuring Agency shall ensure that bidding documents are available to the interested bidders from the first day of publication of Notice Inviting Tender in the newspapers or uploading on the website, as the case may be.

**17. Exceptions.**— No deviation from the requirements under Rules 15 and 16 is permissible in any circumstances, however in the following cases it may be excepted for reasons to be recorded in writing:—

- (a) in cases of emergency, minimum time periods, specified in rule 16 may be reduced subject to the prior approval with reasons to be recorded by the Head of Department;
- (b) in cases of procurement related to national security, the requirement of advertisements and publication under rule 15 may be waived, provided the Head of Department declares beforehand that such a publication could jeopardize national security objectives; *and*
- (c) the requirement of advertisement and publication under rule 15 may be waived in case of procurement, if it 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 provided that, the approval of the Head of Department has been sought beforehand.

## **C — PRE-QUALIFICATION AND DIS-QUALIFICATION OF SUPPLIERS AND CONTRACTORS**

**18. Pre-qualification of Suppliers and Contractors.**— (1) A Procuring Agency, may engage in pre-qualification of bidders in the following cases:—

- (a) in case of contracts for large and complex works and services related to, in which there are high costs of preparing detailed bids;
- (b) in the contracts to be let under turnkey, design and build, or management contract;

- (c) in case of expensive and technically complex equipment and works with a view to ensuring that invitations to bid are extended only to those who have adequate capabilities, competence and resources; *and*
- (d) in case of drugs and services of complex nature.

(2) Pre-qualification of bidders shall be based entirely upon the capability, competence and resources of the bidders relevant to performance in the particular assignment, taking into account the following:-

- (a) experience and past performance on similar assignments;
- (b) capabilities with respect to construction or manufacturing facilities;
- (c) financial capability;
- (d) capabilities with respect to personnel, equipment, and plant;
- (e) appropriate managerial capability; *and*
- (f) any other factor that is relevant to the capability, competence and resources required for accomplishment of the assignment:

Provided that pre-qualification may be carried out only for specific procurement contract and shall be applicable only to that particular assignment.

**19. Process of Pre-qualification.**— (1) To prequalify for bidding on a specific contract or package—

- (a) invitation to prequalify on specific contract or package shall be advertised and notified as per rules 15 and 16;
- (b) Procuring Agency shall provide a set of pre-qualification documents containing scope of contract, a clear set of requirements for qualification and evaluation criteria to any supplier or contractor, subject to payment of price, if any, which shall not exceed the limit, as prescribed in these Rules, and shall indicate the time and place where the documents can be obtained. Alternatively, if the Procuring Agency does not wish to issue pre-qualification documents, it shall include the scope of work and a clear set of requirements for pre-qualification and the evaluation criteria in the notice for pre-qualification;
- (c) all applicants found capable of carrying out the assignments in accordance with the approved prequalification criteria shall be prequalified and invited to submit bids;
- (d) verification of the information provided by the shortlisted applicants in

the submissions for prequalification may be made. In case the information is found to be wrong or incorrect in any material way or the applicant is found to be lacking in the capability or resources to successfully perform the contract, the application shall not be pre-qualified;

- (e) procuring agency shall promptly notify each and every applicant, whether or not it has been pre-qualified; and also 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;
- (f) procuring agency shall, on written request of the applicant(s) communicate to the applicant(s) the reasons for not pre-qualifying them, though it shall not be obliged to justify these reasons; *and*
- (g) only suppliers or contractors, who have been pre-qualified shall be entitled to participate further in the procurement proceedings.

(2) The Procuring Agency, shall mention, in the pre-qualification documents—

- (a) all information required for pre-qualification, pertaining to the factors mentioned in rule 18 (2);
- (b) instructions for preparation and submission of the pre-qualification documents;
- (c) evaluation criteria;
- (d) list of documentary evidence required from the applicants to demonstrate their respective qualifications; and
- (f) any other information that the Procuring Agency deems necessary for pre-qualification.

**20. Eligibility.**— (1) All interested bidders, national or international, firms and individuals, shall be allowed to bid for any project where international competitive bidding is adopted.

(2) Competition may be restricted only in the following cases:—

- (a) as a matter of law or official regulations, commercial relations are prohibited with the bidder's country by the Federal Government;  
*or*

- (b) a firm is blacklisted or debarred by the Procuring Agency, and the matter has been reported to the Authority, subject to Rule 23;

(3) Government owned enterprises or institutions may participate only if they can establish that they are,—

- (a) legally and financially autonomous; *and*
- (b) operate under commercial laws:

Provided that where Government owned universities or research centres in the country are of a unique and exceptional nature, and their participation is critical to project implementation, they may be allowed to participate.

(4) For the purposes of Part II of these rules, bidders shall include all those contractors or suppliers and providers of services related thereto or consultants that are registered or incorporated in Pakistan, irrespective of the nationality of their owners and of their professional staff.

(5) There shall be no enlistment or registration of contractors, suppliers and consultants by any Procuring Agency, and bidding shall not be restricted in any manner, except as otherwise provided in these rules:

Provided that registration with professional institutions in respective fields shall apply as required by the law.

**21. 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 thereof in writing. They shall form part of the records of that procurement proceeding.

**22. Disqualification of Suppliers, Contractors and Consultants.**— (1) The Procuring Agency shall disqualify a supplier, consultant or contractor, whether already pre-qualified or not, if it finds at any —

- (a) time, that the information submitted by him concerning his qualification and professional, technical, financial, legal or managerial competence as supplier, consultant or contractor, was false and materially inaccurate or incomplete; or
- (b) stage that it has indulged in corrupt and fraudulent practices, as

defined in these rules,

(2) A supplier, contractor or consultant being aggrieved by the decision of the Procuring Agency regarding disqualification may seek relief through the mechanism of grievance redressal, as provided under **rule 56**.

**23. Blacklisting of Suppliers, Contractors and Consultants.**— (1) The following shall result in blacklisting of suppliers, contractors, or consultants individually or collectively as part of consortium:—

- (a) conviction for fraud, corruption, criminal misappropriation, theft, forgery, bribery or any other criminal offence;
- (b) involvement in corrupt and fraudulent practices while obtaining or attempting to obtain a procurement contract;
- (c) final decision by a court or tribunal of competent jurisdiction that the contractor or supplier is guilty of tax evasion;
- (d) wilful failure to perform in accordance with the terms of one or more than one contract; *and*
- (e) failure to remedy underperforming contracts, as identified by the Procuring Agency, where underperforming is due to the fault of the contractor, supplier or consultant.

(2) Procuring Agency may, on its own motion, or information provided by any party, carry out an investigation to determine, whether there is sufficient cause for blacklisting a contractor, consultant or supplier. If the Procuring Agency is satisfied that such a cause exists, it shall initiate the process of blacklisting in accordance with the procedure laid down in regulations to be issued by the Authority.

(3) As a result of the scrutiny process, as mentioned above in sub-rule (2), the Procuring Agency may take one of the following decisions:—

- (a) contractor or consultant or supplier may be blacklisted;
- (b) contractor or consultant or supplier may be debarred temporarily, specifying the time period; *and*
- (c) contractor or consultant or supplier may be blacklisted if he fails to take the specified remedial actions within a specified time period:

Provided that the Procuring Agency shall duly publicize and communicate its decision to the Authority, other Government departments, and also hoist on its own website and Authority's website.

(4) Any party being aggrieved by the decision of the procuring agency may submit an appeal to the Authority.

## **D — METHODS OF PROCUREMENT**

24. **Types of Bidding.**— (1) Open competitive bidding shall be the principal method of procurement, save as otherwise provided.

(2) There shall be the following two types of open competitive bidding:—

(a) **International Competitive Bidding.**—

- (i) It is open to all interested parties, firms or individuals, whether national or international, but subject to **rule 20**;
- (ii) it shall be the default method of procurement for all procurements with an estimated cost equivalent to US \$ 10 million or above; and
- (iii) a Procuring Agency may opt for International Competitive Bidding for procurements below the estimated cost equivalent to US \$ 10 million if it is convinced that technological sophistication, technical expertise or professional capability of the satisfactory level is not available within the country and the best value for money cannot be obtained, if competition is restricted to the domestic companies, firms or parties:

Provided that provisions of above clause (iii) may be invoked only with prior approval of the Head of the Department.

(b) **National Competitive Bidding.**—

- (i) it shall be the procedure wherein bidding is open only to interested national firms, companies or parties and international firms, companies or parties are not invited for the bidding;
- (ii) it shall be the principal method of procurement with an estimated cost below US \$ 10 million or equivalent in local currency; *and*
- (iii) a Procuring Agency may opt for National Competitive Bidding for procurements with an estimated cost equivalent to US \$ 10 million or above, where the Procuring Agency is convinced that it is the most economical and timely way of

procuring goods, works or services which, by their nature or scope are unlikely to attract foreign competition:

Provided that the Head of the Department of the Procuring Agency, while making decision to opt for the National Competitive Bidding shall record reasons and justifications for his decision.

**25. Submission of Bids.**— (1) Bids shall be submitted on the place, date and time and in the manner specified in the tender notice and bidding documents and any bid submitted late due to any reason whatsoever, shall not be considered by the Procurement Committee.

(2) The Bidders may submit bids on the bidding documents issued by the Procuring Agency or downloaded from the Authority's website along with tender fee if any by mail or by hand.

**26. Provision of Bidding Documents.**— (1) The Procuring Agency shall provide the bidding documents to all interested bidders in accordance with the procedures and requirements specified in the Notice Inviting Tender.

(2) The Procuring Agency may charge a fee for bidding documents, which shall not exceed the cost of preparation and printing.

**27. Contents of Bidding Documents.**— (1) The Bidding Documents shall include the following information:—

- (a) letter of invitation for bid;
- (b) data sheet containing information about the assignment;
- (c) instructions for preparing bids;
- (d) amount and manner of payment of bid security and performance guarantee (where applicable);
- (e) manner and place, date and time for submission of bidding documents;
- (f) manner, place, date and time of opening of bids;
- (g) method of procurement used;
- (h) a detailed and unambiguous evaluation criteria;
- (j) terms and conditions of the contract agreements, as far as already known by the Procuring Agency;



- (k) Terms of Reference and technical specifications of goods, works or services to be procured, subject to rule 13;
- (l) manner in which tender price is to be assessed and computed, including information about tax liability;
- (m) currency in which tender price is to be formulated and expressed;
- (m) bid validity period;
- (n) a copy of integrity pact to be signed by the parties (where applicable);  
*and*
- (o) any other information which is specified in regulations to be issued by the Authority.

(2) Any information, that becomes necessary for bidding or for bid evaluation, after the invitation to bid or issue of the bidding documents to the interested 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.

(3) Procuring Agencies shall use bidding documents as and when notified 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 bidding documents are notified.

(4) All Procuring Agencies shall hoist the bidding documents on Authority's website as on the website of Procuring Agency in case the Procuring Agency has its own website.

**28. Reservations and Preference.**— (1) Procuring agencies shall allow all interested bidders to participate in procurement 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 these rules or policy of the Federal Government.

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

**29. Bid Security.**— (1) The Procuring Agency may require the bidders to furnish bid security of two per cent in case of procurement of all bids in the form of bank guarantee or Deposit at Call from a scheduled Bank.

(2) In cases, where procurement is of complex nature, bid security up to five percent (5%) can be applied but not less than two percent (2%).

(3) The bid security of technically non-responsive bidders shall be returned within 30 days of declaration of their bid as non-responsive.

(4) Bid security of responsive bidders shall be retained by the Procuring Agency till the time the procurement contract has been signed with the lowest evaluated bidder and deposit of performance guarantee, if required. Bid security of unsuccessful bidders at this stage shall not be retained beyond thirty (30) days of award of contract.

(5) Bid security shall be forfeited in following circumstances if the bidder:-

- a. withdraws its bid after opening but within the validity period,
- b. does not furnish performance guarantee, if applicable,
- c. does not sign the contract *or*
- d. does not accept the correction of the quoted amount following the correction of arithmetic errors.

**30. Bid Validity.**— (1) A Procuring Agency, keeping in view nature of procurement, shall subject the bid to a validity period, which shall be specified in the bidding document and shall not be more than ninety (90) days in case of National Competitive Bidding and one hundred twenty (120) days in case of International Competitive Bidding.

(2) Extension of bid validity may be allowed subject to approval by the competent authority of the Procuring Agency, and with reasons to be recorded in writing:

Provided that if validity period has to be extended due to some slackness on the part of Procuring Agency, the competent authority shall fix responsibility and take appropriate disciplinary action.

(3) After obtaining such approval, the Procuring Agency, shall request in writing all bidders to extend the bid validity period. Such a request shall be made before the date of expiry of the original bid validity period.

(4) Such an extension shall not be for more than the original period of bid validity.

(5) Whenever an extension of bid validity period is requested, a bidder shall have the right to refuse to grant such an extension and withdraw his bid and bid security shall be returned forthwith.

(6) Bidders who—

- (a) agree to extension of the bid validity period shall also extend

validity of the bid security for the agreed extended period of the bid validity; *and*

- (b) agree to the Procuring Agency's request for extension of bid validity period shall neither be requested nor permitted to change the price or other conditions of their bids.

**31. Extension of Time Period for Submission of Bids.**— The Procuring Agency may extend the deadline for submission of bids only, if one or all of the following conditions exist:—

- (a) fewer than three bids have been submitted and Procurement Committee is unanimous in its view that wider competition can be ensured by extending the deadline. In such case, the bids submitted shall be returned to the Bidders un-opened; *and*
- (b) if the Procuring Agency is convinced that such extraordinary circumstances have arisen owing to law and order situation or a natural calamity that the deadline should be extended:

Provided that the advertisement of such extension in time shall be made in a manner similar to the original advertisement.

**32. Clarification and Modification of Bidding Documents.**— (1) An interested bidder, who has obtained bidding documents, may request for clarification of contents of the bidding document in writing, and Procuring Agency shall respond to such queries in writing within three calendar days, provided they are received at least five calendar days prior to the date of opening of bid:

Provided that any clarification in response to a query by any bidder shall be communicated to all parties who have obtained bidding documents.

(2) Procuring Agency shall re-issue the Notice Inviting Tenders, in accordance with rules 15 and 16, if it is convinced that there is a material infirmity or ambiguity in the bidding documents, which cannot be addressed without modifying the contents of bidding documents.

## **E — OPENING, EVALUATION AND REJECTION OF BIDS**

**33. Opening of Bids.**— (1) The date for opening of bids and the last date for the submission of bids shall be the same, as given in the bidding documents and in the Notice Inviting Tender.

(2) Subject to provisions of rule 16, in case, the two dates are different, the date and time, given in the bidding documents shall apply.

(3) The bids shall be opened within one hour of the deadline for submission of bids.

(4) All bids shall be opened publicly in the presence of all the bidders, or their representatives, who may choose to be present in person, at the time and place announced in the invitation to bid.

(5) The Procuring Agency shall read aloud the name of the bidder and total amount of each bid, and of any alternative bids if they have been permitted, shall be read aloud and recorded when opened.

(6) All bidders in attendance shall sign an attendance sheet.

(7) All bids submitted after the time prescribed as well as those not opened and read out at bid opening, due to any procedural flaw, shall not be considered, and shall be returned without being opened.

(8) The official chairing Procurement Committee shall encircle the rates and all the members of Procurement Committee shall sign each and every page of financial proposal.

(9) The Procurement Committee shall issue the minutes of the opening of the tenders and shall also mention over writing or cutting, if any.

**34. Evaluation Criteria.**— The Procuring Agencies shall formulate an appropriate and unambiguous evaluation criteria, listing all the relevant information against which a bid is to be evaluated and criteria of such evaluation shall form an integral part of the bidding documents. The failure to provide a clear and unambiguous evaluation criteria in the bidding documents shall amount to mis-procurement.

**35. Evaluation of Bids.**— (1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents.

(2) For the purpose of comparison of bids quoted in different currencies, price shall be converted into a single currency specified in the bidding documents. The rate of exchange shall be the selling rate prevailing seven working days before the date of opening of the bids specified in the bidding documents, as notified by the State Bank of Pakistan.

(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 issuance of notice for invitation of bids.

**36. Clarification of bids.**— (1) No bidder shall be allowed to alter or modify his bid(s) after the expiry of deadline for the receipt of the bids:

Provided that the Procuring Agency may ask the bidders for clarifications needed to evaluate the bids but shall not permit any bidder to change the substance or price 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.

**37. Discriminatory and difficult conditions.**— Save as otherwise provided, no Procuring Agency shall introduce any condition which discriminates amongst bidders. In ascertaining the discriminatory 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.

**38. Cancellation of Bidding Process.**— (1) A Procuring Agency may cancel the bidding process at any time prior to the acceptance of a bid or proposal.

(2) The Procuring Agency shall incur no liability towards the bidders, solely by virtue of its invoking sub-rule (1).

(3) Intimation of the cancellation of bidding process shall be given promptly to all bidders and bid security shall be returned along with such intimation.

(4) The Procuring Agency shall, upon request by any of the bidders, communicate to such bidder, grounds for the cancellation of bidding process, but is not required to justify such grounds.

**39. Re-issuance of Tenders.**— The Procuring Agency may re-issue tenders in case, the bidding process has been cancelled, as provided in rule 38 or one of the following conditions exist:—

(a) such an infirmity in the bidding documents has surfaced that the procuring committee recommends to the competent authority that the bids have to be invited afresh; and

(b) the case has been declared as one of mis-procurement in pursuance of section 56 :

Provided while re-issuing tenders, the Procuring Agency may change the specifications and other contents of bidding documents, as deemed appropriate.

**40. Announcement of evaluation reports.**— (1) Procuring Agencies shall announce and upload on Authority's web the results of bid evaluation in the form of a report giving justification for acceptance of lowest evaluated bid, and reasons for non-acceptance of all other bids or rejection of each bid at least ten days prior to the award of procurement contract.

Provided that a copy of the evaluation report shall be provided to any bidder who may request for the same.

**41. Procedures of open competitive bidding.**— (1) Save as otherwise provided in these rules, the procedures prescribed hereunder in sub-rules (2) to (5) shall be permissible for open competitive bidding:

Provided that Notice Inviting Tenders and bidding documents of all the method mentioned below shall contain the following eligibility criteria:—

- (a) relevant experience;
- (b) turn-over of at least last three years;
- (c) registration with Income Tax, Sales Tax and Pakistan Engineering Council (where applicable); *and*
- (d) any other factor deemed to be relevant by the Procuring Agency subject to provision of rule 37.

**(2) Single Stage – One Envelope Procedure.**—

- (a) each bid shall comprise one single envelope containing the financial proposal and required information mentioned at clause (a) above; *and*
- (b) all bids received shall be opened and evaluated in the manner prescribed in the Notice Inviting Tenders or bidding document.

**(3) Single Stage – Two Envelope Procedure.**—

- (a) bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;
- (b) envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion;
- (c) initially, only the envelope marked “TECHNICAL PROPOSAL” shall be opened;
- (d) envelope marked as “FINANCIAL PROPOSAL” shall be retained in the custody of the Procuring Agency without being opened;
- (e) 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;

- (f) no amendments in the technical proposal shall be permitted during the technical evaluation;
- (g) financial proposals of technically qualified bids shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance;
- (h) financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidders; *and*
- (j) bid found to be the lowest evaluated shall be accepted.

(4) **Two Stage Bidding Procedure.—**

(a) **First Stage.—**

- (i) bidders are invited to submit, according to the required specifications, a technical proposal without price, which shall be subject to technical as well as commercial clarifications and adjustments;
- (ii) technical proposal shall be evaluated in accordance with the specified evaluation criteria and may be discussed with all the bidders together regarding any technical features that may require technical as well as commercial clarifications and adjustments;
- (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) 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 forty five days in the case of

International Competitive Bidding; *and*

- (v) the bidders not willing to conform their respective bids to the Procuring Agency's technical requirements may be allowed to withdraw from the bidding without imposition of any penalty.
- (b) **Second Stage.**—
  - (i) Bidders shall be allowed to amend their technical proposals in order to ensure conformance to the same technical standards;
  - (ii) bidders submit the revised technical proposals along with financial proposals;
  - (iii) the financial proposals of only those bidders whose original or revised technical proposals are found to be conforming to the agreed technical standards and requirements, shall be opened at a time, date and venue announced and communicated to the bidders in advance; *and*
  - (iv) the revised technical proposals and the financial proposals 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.

(5) **Two Stages - Two Envelope Bidding Procedure.**—

- (a) **First Stage.**—
  - (i) bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;
  - (ii) 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) envelope marked as “FINANCIAL PROPOSAL” shall be retained in the custody of the Procuring Agency without being



opened;

- (v) technical proposal shall be discussed with all the bidders or their representatives present together with reference to the Procuring Agency's technical requirements;
- (vi) the bidders willing to meet the requirements of the Procuring Agency shall be allowed to revise their technical proposals following these discussions; *and*
- (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.

(b) **Second Stage.**—

- (i) 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 revised technical requirement;
- (ii) 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 financial 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*

- (iii) 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.

**42. Conditions for use of various Procedures.**— (1) **Single Stage— One Envelope Bidding Procedure.**— Single stage one envelope bidding procedure shall ordinarily be the main open competitive bidding procedure used for most of the procurement. And shall be used for procurement of goods, works and services of simple and routine nature and where no technical complexity or innovation is involved.

(2) **Single Stage— Two Envelope Bidding Procedure** shall be used for procurements where the bids are to be evaluated on technical and financial grounds and price is taken into account after technical evaluation.

(3) **Two Stages— 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 of machinery or equipment or manufacturing plant available to the Procuring Agency.

(4) **Two Stages— Two Envelope Bidding method** shall be used for procurement where alternate technical proposals are possible such as certain type of machinery or equipment or manufacturing plant.

## **F — ACCEPTANCE OF BIDS AND AWARD OF PROCUREMENT CONTRACTS**

**43. Acceptance of Bids.**— (1) The bidder with the lowest evaluated bid, if not in conflict with any other law, rules, regulations or policy of the Government, shall be awarded the procurement contract, within the original or extended period of bid validity.

(2) Single bid may be considered for acceptance if it meets the evaluation criteria expressed in bidding documents and is not in conflict with any other rules, regulations or policy of the Government. The price may be compared with the prevailing market prices, if so required.

(3) In case of forfeiture of bid security under Rule 29(5) the Procuring Agency may award the procurement contract to next lowest evaluated bidder.

**44. Performance Security.**— (1) Procuring Agency shall, in all procurement of goods and works of value more than twenty-five (25) million, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee or insurance bond by AA ranking insurance company, an amount sufficient to protect the Procuring Agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than ten percent (10%) of contract price.

(2) The performance guarantee shall be released within sixty days of completion of the contract subject to clearance of everything else.

**45. Force Majeure.**— The conditions of contract shall stipulate that failure on the part of the parties to perform their obligations under the contract will not be considered a default if such failure is the result of an event of force majeure as defined in the conditions

of contract.

46. **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.

47. **Confidentiality.**— The Procuring Agency shall keep all information regarding the bid evaluation confidential until the time of announcement of evaluation report in accordance with the requirements of rule 40.

48. **Award of Contract.**— The bidder with the lowest evaluated cost, but not necessarily the lowest submitted price, shall be awarded the procurement contract, within the original or extended period of bid validity.

49. **Publication of the Award of Contract.**— Within forty-five (45) days of the award of contract, Procuring Agency shall publish on the website of the Authority and on its own website, if such a website exists, the results of the bidding process, identifying the bid through procurement identifying number, if any, and the following information:—

- (a) Contract Evaluation Report;
- (b) Form of Contract and Letter of Award; *and*
- (c) Bill of Quantities or Schedule of Requirement.

50. **Debriefing.**— (1) A bidder may ask the Procuring Agency for reasons for non-acceptance of his bid and may request for a debriefing meeting and Procuring Agency shall give him the reasons for such non-acceptance, either in writing or by holding a debriefing meeting with such a bidder.

- (2) The requesting bidder shall bear all the costs of attending such a debriefing.

51. **Alternate Methods of Procurements.**— (1) A Procuring Agency may utilize following alternative methods of procurement of goods, services and works, namely:—

- (a) **Request for Quotations.**—
  - (i) request for quotation is the method based on comparing price quotations obtained from at least three suppliers, contractors, and service providers, in the case of services other than consulting services, to assure competitive prices;

(ii) a Procuring Agency shall engage in this method of procurement only if any of the following conditions exist:—

(A) the cost of object of procurement is below the prescribed limit of one hundred thousand rupees and above the financial limit prescribed for petty purchase, as provided in clause (e);

(B) the object of procurement has standard specifications;

(b) **Direct Contracting.**— This method means procurement from a single source without competition and shall only be applicable under any of the following conditions:

(i) standardization of equipment or spare parts, to be compatible with the existing equipment:

Provided that the competent authority certifies in writing the compatibility of the equipment or spare part(s) to be procured;

(ii) the required item(s) is of proprietary nature and obtainable only from one source:

Provided that the Head of the Department certifies in writing the proprietary nature of the item(s) to be procured;

(iii) the contractor responsible for a process design requires the purchase of critical items from a particular supplier as a condition of a performance guarantee;

(iv) where civil works are to be contracted and are a natural extension of an earlier or ongoing job and it can be ascertained that the engagement of the same contractor will be more economical and will ensure compatibility of results in terms of quality of work subject to clause (f) below;

(v) 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 competent authority certifies in writing the compatibility of the materials to be procured;

- (vi) when the price of goods and works and service related thereto, is fixed by Government or any other authority, agency or body duly authorized by the Government, on its behalf;
- (vii) for purchase of locally manufactured motor vehicle from local manufacturers or their authorized agents at manufacturer's price; and
- (viii) in cases of emergency:

Provided that the Head of the Department with the prior approval of the Government, declares that a situation of emergency has arisen and reasons for making such a declaration shall be recorded in writing;

- (c) **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;

- (d) **Force Account.**— means construction by the use of the Procuring Agency's own personnel and equipment and shall only be used for the works under the following conditions;
  - (i) quantities of work to be done cannot be defined in advance;

- (ii) works are small and scattered or in remote locations for which qualified construction firm(s) is unlikely to bid at reasonable prices;
- (iii) works are required to be carried out without disrupting ongoing operations;
- (iv) in case of emergencies:

Provided that the competent authority declares that a situation of emergency has arisen and reasons for making such a declaration shall be recorded in writing.

- (e) **Petty Purchases.**— Procuring Agencies may provide for petty purchases, where the object of the procurement is below the financial limit of fifty thousand rupees. Such procurement shall be exempted from the requirements of bidding or quotation of prices:

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

- (f) **Repeat Orders.**— means procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding, and such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme:

Provided that—

- (i) the cost of additional quantities of item(s) shall not exceed fifteen percent (15%) of the original contract amount;
- (ii) the original supplier and contractor are willing to supply goods or carry out additional work on the same prices as agreed in the original contract;
- (iii) in case of goods, it shall be permissible only within the same financial year, and in case of works, during the currency of the project(s) or scheme(s);  
*and*
- (iv) the repeat order does not result in splitting of requisitions or purchase orders.

52. **On Account Payments.**— All Procuring Agencies shall make payments to suppliers, consultants and contractors against their invoices or running bills within the time given in the conditions of the contract.

53. **Liquidated Damages.**— In the event a contractor fails to deliver any or all of the goods, works or services within the period agreed in the contract, the procuring agency either shall allow an extension in the contract period pursuant to a written request by the contractor with justifications or deduct the amount, as liquidated damages, a sum equivalent to the percentage specified in the contract for each week or part thereof of delay.

54. **Entry into Force of the Procurement Contract.**— A procurement contract shall come into force when the Procuring Agency signs a contract, 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 the time prescribed in the bidding documents:

Provided that where coming into force of a contract is contingent upon fulfillment of a certain condition(s), the contract shall take effect from the date whereon such fulfillment takes place.

55. **Closing of Contract.**— (1) Except for defect liability or maintenance by the supplier, consultant or contractor, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of overall delivery certificate, certificate of completion of deliverables, 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 Procuring Agency to carry out any inspection of goods, works or services related thereto, as provided in the contract agreement and auditors to do substantial audit.

(2) In case of defect liability or maintenance periods, defect liability certificate shall be issued within thirty (35) days of the expiry of the said period enabling the supplier or contractor to submit the final bill.

(3) Except for unsettled claims which shall be resolved through arbitration, and shall be paid within the time given in the conditions of contract.

## **G — REDRESSAL OF GRIEVANCES AND SETTLEMENT OF DISPUTES**

56. **Mechanism for Redressal of Grievances.**— (1) The Procuring Agency shall constitute a committee comprising odd number of persons, with appropriate 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 being aggrieved by any act or decision of the Procuring Agency after the issuance of Notice Inviting Tender may lodge a written complaint.

(3) The complaint redressal committee upon receiving a complaint from an aggrieved bidder may, if satisfied—

- (a) reject the complaint considering it to have been made on frivolous grounds;
- (b) prohibit the Procurement Committee from acting or deciding in a manner, inconsistent with these rules and regulations;
- (c) annul in whole or in part, any unauthorized act or decision of the Procurement Committee;
- (d) recommend to the Head of Department that the case may be declared a mis-procurement if material violation of the Act, rules, regulations, orders, instructions or any other law relating to public procurement, has been established; *and*
- (e) reverse any decision of the Procurement Committee or substitute its own decision for such a decision:

Provided that the complaint redressal committee shall not make any decision to award the contract.

(4) The Complaint Redressal Committee shall announce its decision within fifteen (15) days and intimate the same to the bidder and the Authority within three (03) working days by Procuring Agency.

(5) The Procuring Agency shall award the contract after the decision of the complaint redressal committee.

(6) Mere fact of lodging of a complaint shall not warrant suspension of the procurement proceedings.

(7) Any bidder not satisfied with the decision of the Committee of the procuring Agency may lodge an appeal in the relevant court of jurisdiction.

## **57. Declaration of Mis-Procurement and consequences.(1)**

- (a) the Head of the Department on its own initiation or on recommendation of the Complaint Redressal Committee of the Department may declare the case to be of mis-procurement, if any material violation of the provisions of the Act , Rules, Regulations, orders, instructions or any other law relating to public procurement



has been established; *and*

- (b) The Authority may take notice of any material violation of the Act, rules, regulations, orders, instructions or any other law relating to public procurement and declare the case to be of mis-procurement if such violation has been established.

(2) On declaration of mis-procurement, the Head of the Department or the Authority shall refer the case to the Competent Authority for initiation of disciplinary proceedings against the officials of the Procuring Agency responsible for mis-procurement and may also refer the matter to the Balochistan Anti-Corruption Establishment for initiating action against such officials.

**58. Matters not subject to Appeal or Review.**— The following actions of the Procuring Agency shall not be subject to the appeal or review:—

- (a) selection method adopted by the Procurement Committee; *and*
- (b) decision by the Procuring Agency under rule 38 to cancel the bidding process.

### **PART- III**

#### **PROCURING CONSULTING SERVICES**

**59. Applicability.**— (1) Subject to provisions of Part I and II, Part III shall apply only to consulting services.

(2) In case of any conflict in provisions or their interpretation within the rules, for consulting services, rules under this part shall take precedence over rules in other parts.

**60. Selection of Consultancy Services.**— The selection shall be guided by the following considerations:—

- (a) Non-availability of the required expertise with Procuring Agency;
- (b) best quality of services available;
- (c) need for economy and efficiency;
- (d) need to give all qualified consultants an equal opportunity to compete;
- (e) encouragement of local consultants without any unfair competitive advantage; *and*

- (f) transparency in the selection process.

61. **Bar on hiring in cases of Conflict of Interest.**— Without limitations on the generality of the foregoing, consultants shall not be hired if there is a conflict of interest, as defined in these rules.

62. **Equal Access to Information.**— The Procuring Agency shall make available information to all the consultants for consulting services on an equal opportunity basis.

63. **Rights and Obligations of the Procuring Agency and Consultants.**— Rights and obligations of the Procuring Agency and the consultant shall be governed by General and Special conditions of contract signed between the Procuring Agency and the consultant.

64. **Steps in the Selection Process.**— Depending on the selection method adopted, the Procuring Agency shall undertake the following steps but not limited to—

- (a) preparation of the terms of reference of the assignment;
- (b) preparation of the cost estimate or budget of the assignment;
- (c) public advertisement;
- (d) short-listing of consultants, if deemed necessary;
- (e) preparation and issuance of the Request for Proposal to the shortlisted consultants;
- (f) preparation and submission of proposals by consultants;
- (g) evaluation of technical proposals as per criteria given in the Request for Proposal;
- (h) opening and evaluation of financial proposals as per criteria given in the Request for Proposal;
- (j) contract negotiations, as provided in the selection method; *and*
- (k) award and signing of the contract between the Procuring Agency and the consultant.

65. **Consultant Selection Committee.**— Every Procuring Agency, for the selection of consultant(s), shall set up a Consultant Selection Committee, which shall consist of the following:—

(a) Consultant Selection Committee shall be headed by a gazetted officer not below the rank of BS-19 and, if not available, the officer of the highest grade available in case of administrative departments, autonomous and semi-autonomous bodies;

(b) Project or Programme Directors, Coordinators or Managers shall head Consultant Selection Committees of the respective projects or programmes.

(c) **Members:—**

- (i) a nominee of the Planning & Development Department not below the rank of BPS-18;
- (ii) a nominee of the Finance Department not below the rank of BPS-18;
- (iii) a representative of the Procuring Agency not below the rank of BPS-18 to act as member and secretary;
- (iv) one technical member from the concerned departments for consultation having adequate experience in the relevant field not below the rank of BPS-18 or equivalent; *and*
- (v) co-opted member(s) – The Consultants Selection Committee, with the approval of its Chairperson, can co-opt up to two members, having adequate technical knowledge and experience in the relevant field, for providing technical input to the committee. The co-opted members shall have no voting rights:

Provided that co-opted members shall have no conflict of interest in the procurement process.

66. **Quorum.**— The Chairman, representatives of Finance Department and Planning and Development Department shall form the quorum for conducting the business of the Consultants Selection Committee.

67. **Decision by Simple Majority.**— All decisions of the Consultants Selection Committee shall be made by simple majority.

68. **Functions and Responsibilities of the Committee.**— The Consultants Selection Committee shall perform the following functions:—

- (a) Approval of Request for Proposal before issuance;
- (b) Short listing of consultants, responding to the Request for Expression of Interest, where applicable, in accordance with the criteria mentioned in Request for Expression of Interest;

- (c) Evaluation of technical and financial proposals, according to the selection method and evaluation criteria, mentioned in the Request for Proposal; *and*
- (d) Finalization of recommendation based on evaluation as mentioned at sub-rule (c) above.

**69. Methods for Selection of Consultants.**— (1) A Procuring Agency may adopt one of the following methods prescribed hereunder in sub-rule (2) to sub-rule (9), for selection of consultants keeping in view nature of the assignment:

Provided that the selection system shall be determined by the Procuring Agency prior to issuance of the Request for Proposals from interested consultants.

**(2) Least Cost Selection Method.**—

- (a) This method shall be adopted for assignments of standard or routine nature where well-established practices and standards exist:

Provided the cost of additional assignment does not exceed fifteen per cent of the previous assignment;

- (b) financial proposals of only technically qualified firms shall be opened;
- (c) the firm with the lowest quoted cost or bid shall be selected; *and*
- (d) Procuring Agency may adopt any other method as deemed fit with reason to be recorded in writing by the Procuring Agency with the approval of the competent authority.

**(3) Quality Based Selection Method.**—

- (a) this method shall be used only in case of highly specialized, innovative and complex assignments, where quality is the only factor taken into consideration;
- (b) in Quality Based Selection method the technical proposal which attains the highest score according to the criteria mentioned in the bidding documents shall be selected without any consideration for cost; *and*
- (c) the selected firm shall be asked to submit its financial proposal and invited to negotiate the financial proposal and the contract.

**(4) Quality and Cost Based Selection Method.**— This method shall be used

only where—

- (a) the Terms of Reference are well-defined and Quality is of prime consideration, while cost is a secondary consideration; *and*
- (b) the firm which attains the highest combined weighted technical and financial score according to the criteria mentioned in the bidding documents shall be selected.

(5) **Direct Selection Method.**— This method shall be used only if all or any of the following conditions exists—

- (a) for tasks which are natural continuation of previous assignment and where continuity of technical services is required;
- (b) for assignments worth less than rupees one hundred thousand;
- (c) in cases oy; *and*
- (d) where only one consultant is qualified or has experience of exceptional worth.

(6) **Fixed Budget.**—

- (a) This method shall be used only when all the following conditions exist:—
  - (i) assignment is simple;
  - (ii) can be precisely defined; *and*
  - (iii) budget is fixed;
- (b) the Request for Proposal shall indicate the available budget. Proposals that exceed the indicated budget shall be rejected; *and*
- (c) the ranking shall be based only on evaluation of technical proposals of the qualified bidders.

(7) **Design Contest.**— This method shall be used only for projects where aesthetic component is of prime consideration. The Procuring Agency shall invite consultants to submit a financial proposal and present a plan or design for the project based on a concept or criteria provided by it. The financial proposal of the top-ranked consultant shall only be opened.

(8) **Consultant's Qualifications Selection Method.**—

- (a) this method shall apply only to small consultancies for which the cost of a full-fledged selection process would not be justified; *and*
- (b) consulting firm is selected at the stage of Expression of Interest on the basis of criteria mentioned in the Request for Expression of Interest. The selected firm is asked to submit a technical and financial proposal, in single envelope, and then invited to negotiate the contract.

(9) **Selection Process of Individual Consultants.**—

- (a) this method shall be adopted only if all or any of the following conditions exist:—
  - (i) the scope of work is such that teams of personnel are not required;
  - (ii) no additional professional support is required; *and*
  - (iii) the experience and qualifications of the individual are the paramount requirement; *and*
- (b) individual consultants may not be required to submit proposals, and may be selected on the basis of the evaluation of their curriculum vitae. Interviews may be set up for selection under this method.

**70. Request for Expression of Interest.**— (1) Request for Expression of Interest shall be advertised or announced in accordance with the provisions of rule 15 and 16 above.

(2) Request for Expression of Interest shall contain the following information:—

- (a) Name and address of Procuring Agency;
- (b) appropriate description of the assignment providing scope of the intellectual and professional services required;
- (c) deadline and place of the submission of Request for Expression of Interests;
- (d) criteria for short listing; *and*
- (e) any other information that the Procuring Agency may deem appropriate to disseminate at this stage.

**71. Criteria for Short-listing of Consultants.**— (1) Procuring Agency shall short list the applicants according to a pre-determined criteria mentioned in the Request for

Expression of Interest.

(2) The Procuring Agency while engaged in short listing of consultants shall take into consideration the following factors:—

- (a) qualification;
- (b) experience;
- (c) financial capability; *and*
- (d) any other factor that a Procuring Agency may deem relevant not inconsistent with these rules.

**72. Request for Proposals.**— (1) The Procuring Agency shall use Request for Proposal for seeking proposals from the shortlisted consultants, which shall include the following:—

- (a) **Letter of Invitation.** — It shall mention the name and address of the Procuring Agency and shall also state the intention of the Procuring Agency to enter into a contract for provision of consulting services and contain names of all the short listed firms;
- (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.**— It shall define the objectives, goals and scope of the assignment unambiguously and list the deliverables, services and surveys necessary to carry out the assignment and expected outputs. Terms of Reference are to be read along with the conditions mentioned in the Form of Contract;
- (d) **Form of Contract.**— Form of contract is a draft contract agreement which includes all general and special conditions of contract;
- (e) **Evaluation Criteria.**— Except as otherwise provided, the evaluation of proposals shall be carried out giving due consideration to quality and cost;
- (f) **Types of Contract.**— The procuring agency may use one of the following types of contract:—

- (i) lump sum contract shall be used mainly for assignments in which the contents, duration of the services and the required output are unambiguously defined;
  - (ii) time based contract shall be used when it is difficult to define the scope and the length of services;
  - (iii) hourly or daily rates contract shall be used for small projects, especially when the assignment is for less than a month; *or*
  - (iv) any other contract, based on combination of the above types of contracts, including out of pocket expenses, where required.
- (g) **Special provisions.**— The Procuring Agency may specify any other requirement related to the assignment or contract, where required.

(2) The Procuring Agency shall invite the interested consultants to submit their technical and financial proposals in separate sealed envelopes. The Procuring Agency shall give deadline for submission of proposals. Consultants shall be given adequate time in which to prepare their proposals which shall not be less than fifteen (15) days for National Competitive Bidding and forty-five (45) days for International Competitive Bidding.

**73. Criteria for Evaluation of Quality of Consulting Services.**— Evaluation criteria shall include, but shall not be limited to the following:—

- (a) **Specialization:** Consultants' specialized skills and access to particular technologies related to the assignment;
- (b) **Experience:** Consultants' experience and past performance on similar contracts or assignments and in similar geographical conditions;
- (c) **Financial Capability:** Financial capability of the consulting firms may be evaluated with a view to ensuring that they can complete the assigned task in a timely manner;
- (d) **Understanding of the Assignment:** Consultant's understanding of the assignment is a very important consideration for evaluation;
- (e) **Proposed Methodology:** Methodology proposed by the consultants shall be evaluated for its innovativeness and soundness; *and*
- (f) **Quality Management:** Availability of a well-established Quality Management system may be taken into account for large and complex



assignments.

**74. Association between Consultants.**— (1) An association of consultants may take either the form of a consortium or a sub-consultancy.

(2) Under a consortium arrangement only one entity, either through the lead consultant or by forming a legal juridical person, shall be responsible to the Government for execution of the entire assignment.

(3) Under sub-consultancy, the main consultant may engage another consultant for performing part of an assignment, only if expressly provided in the contract agreement and expressly agreed to by the Procuring Agency. The main consultant shall, however, bear all responsibility for quality of the output and in all other respects as provided in the main contract.

**75. Intellectual Property Rights.**— (1) All documents, reports, designs, research work and all deliverables prepared by the consultant shall become and remain the property of the Procuring Agency.

(2) Any restrictions on the future use of these documents and software by the consultant shall be specified in the conditions of the contract.

**76. Extent of Contract Negotiation.**— Procuring Agency may negotiate with the highest ranked bidder regarding methodology, work plan, staffing and special conditions of the contract. The Procuring Agency shall not permit substitution of key staff, unless both parties agree that undue delay in selection process makes such substitution unavoidable. Similarly, negotiations shall not seek changes in the rates quoted by the consultant. In case of failure of negotiations, the Procuring Agency may invite the second ranked consultant as per the evaluation report.

**77. Professional Liability of Consultants.**— (1) The consultant selected and awarded a contract shall be liable for consequence of omissions or commissions on his or their part. The extent of liability of consultant shall be incorporated in the contract, and in no case, shall be less than the remuneration, excluding out of pocket expenses, nor shall the liability exceed twice the amount of remunerations.

(2) The Procuring Agency may demand insurance on part of the consultant to cover its liability as stated above, and necessary costs shall be borne by the consultant.

(3) The consultant shall be liable for all losses or damages suffered by the Procuring Agency on account of any misconduct by the consultant in performing the consulting services.

**78. Performance Security.**— (1) Procuring Agency shall, in all procurement of

consulting services except individual consultancies carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee or performance bond issued by insurance company of at least AA rating, an amount sufficient to protect the Procuring Agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price.

(2) The security shall be provided in an appropriate form and amount, as provided in the bidding documents.

(3) Validity of performance security shall extend at least ninety (90) days beyond the date of completion of contract to cover defects liability period or maintenance period subject to final acceptance by the Procuring Agency.

## **PART - IV**

### **GENERAL PROVISIONS**

79. **Integrity Pact.**— Procurements exceeding Rs. 10 million for goods and works, and Rs. 2.5 million for services shall be subject to an integrity pact, as specified by regulations, between the Procuring Agency and the suppliers or contractors or consultants.

80. **Post Procurement Reviews.**---- The records of Procurement activities shall be reviewed periodically by the Authority of top ten high value procurements and a random audit of ten of the remaining transactions of all the Procuring Agencies. The findings of the post procurement review shall be provided to the Procuring Agency for improvement in the institutional frame work and public procurement activities.

81. **Overriding Effect.**— Provisions of these rules shall have overriding effect notwithstanding anything to the contrary contained in any other Rules, Regulations, Manuals, Instructions or Orders issued by the Government from time to time concerning public procurements.

**CHIEF SECRETARY**  
**GOVERNMENT OF BALOCHISTAN**

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