



PROCUREMENT MANUAL

Pakhtunkhwa Energy Development Organization (PEDO)

Energy and Power Department, KP

Prepared by

Pakhtunkhwa Energy Development Organization

ACRONYMS

ADB	Asian Development Bank
AGP	Auditor General of Pakistan
APP	Annual Procurement Plan
BER	Bids Evaluation Report
BoG	Board of Governors
CEO	Chief Executive Officer
EOI	Expression of Interest
GRM	Grievance Redress Mechanism
ICB	International Competitive Bidding
IFB	Invitation for Bid
KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
LCS	Least Cost Method
LOI	Letter of Invitation
NCB	National Competitive Bidding
PC	Purchase Committee
PD	Project Director
PEDO	Pakhtunkhwa Energy Development Organization
PM	Project Manager
PPRA	Public Procurement Regulatory Authority
PPT	Procurement Planning Template
PU	Procurement Unit
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
RA	Relevant Authority
RFP	Request for Proposal
RFQ	Request for Quotations
SBD	Standard Bidding Document
SSS	Single Source Selection
TORs	Terms of Reference
VFM	Value for Money

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1. INTRODUCTION

This chapter explains the purpose of the manual, its applicability and the glossaries of terms used in it. Key rules/provisions of the KPPRA Rules 2014 have been given in the boxes whereas explanation provided in subsequent paragraphs.

The Government of Khyber Pakhtunkhwa (KP) has enacted KP Public Procurement Regulatory Authority (KPPRA) Act 2012 to provide for legal and regulatory framework for public procurement and govern other related matters. The KPPRA has also formulated the KPPRA Rules 2014 which require that all public procurement shall be conducted with a view to promoting transparency, economy, and value for money, accountability and swift grievance redressal.

This manual has been developed for two purposes:

1. Help PEDO officials in understanding the legal framework applicable to public procurement in the province; and
2. Provide necessary guidance to help PEDO officials apply the applicable laws and rules in managing public procurement;

The manual has following eight (8) chapters:

- Chapter 1 (Introduction) explains the purpose of the manual, its applicability and the glossaries of terms used in it. This is based on chapter 1 of the KPPRA Rules 2014;
- Chapter 2 (Institutional and Legal Framework) reviews the institutional set of PEDO and legal environment which it must pay attention to in its operations;
- Chapter 3 (Principles of Public Procurement) briefly explains the principles of public procurement and stipulates a Code of Conduct that are pre-requisites in public procurement. These principles have been pointed out in the KPPRA Act 2009 and the KPPRA Rules 2014. The chapter briefly explains these concepts;
- Chapter 4 (Procurement Planning and Monitoring) guides as to how PEDO should conduct procurement planning, prepare annual plan, and track the implementation of this plan. The subject matter has been emphasized in both the KPPRA Act 2009 and the KPPRA Rules 2014;
- Chapter 5 (Methods of Procurement of Goods) explains the concepts and the rules covered in Chapter 2 of the KPPRA Rules 2014;
- Chapter 6 (Procurement of Works and Non-Consulting Services) explains the concepts and the rules covered in Chapter 3 of the KPPRA Rules 2014;
- Chapter 7 (Procurement of Consultancy Services) explains the concepts and the rules covered in Chapter 4 of the KPPRA Rules 2014;
- Chapter 8 (Miscellaneous Provisions) explains the concepts and the rules covered in Chapter 5 of the KPPRA Rules 2014;
- Chapter 9 reviews the bid evaluation process and the structure and contents of the bid evaluation report; and finally

- Chapter 10 explains how an effective Grievance Redress Mechanism (GRM) can help PEDO in improving transparency and accountability of its procurement processes while also enabling it to comply with the provision of the Right to Information Act 2013.

As per the legal framework, all government entities including PEDO are required to follow the Standard Bid Document (SBD) prescribed by Pakistan Engineering Council (PEC) in public procurement of engineering works and consultancy services. The links have been indicated for PEDO to use resources available on the PEC website to access documents and other useful guidance for this purpose.¹ Further for procurement of goods, the KPPRA's website provide SBD for use by Procuring agencies government agencies.²

Basic Definitions

The terms used in this Manual of Policies, Guidelines and Standard Operating Procedures have the following meanings assigned to them:

Act	Khyber Pakhtunkhwa Public Procurement Regulatory Authority Act, 2012
Authorized Person	Any person who has been granted the power to authorize a transaction, or otherwise commit a Procuring Agency.
Bid	means a technical proposal or a financial proposal or a technical and financial proposal submitted as a result of request for quotations, tender notice, and request for proposal as the case may be.
Eligible Bid	A Bid that meets the basic eligibility criteria in a preliminary screening and which then goes forward for evaluation. Mandatory eligibility criteria may include registration as a company, possession of a business license etc. A tender may also specify that a Bid Security for a specified amount and in a specified format be enclosed with the tender. If there is no Bid Security, the bid is “non-compliant” and therefore not “eligible” to go forward to the evaluation stage.
Emergency	Shall refer to situation that poses an immediate risk of loss, or has caused loss, or has high probability of escalating to cause immediate danger to health, life, property or environment as covered under the National Disaster Management Act, 2010 (Act No. XXIV of 2010) and shall include natural calamities, disasters, accidents, war and breakdown of operational equipment, plant, machinery or engineering infrastructures, which may give rise to abnormal situation requiring prompt

¹ For SBD for goods, please go to the KPPRA website <http://kppra.gov.pk/download/>

	and immediate action to limit or avoid damage to health, life, property or the environment.
Financial Powers	The authority to spend given to an officer in the performance of his duties. In most Government systems, the amount of expenditure an officer may authorize is usually related to the level of his responsibility as well as to his seniority. A schedule of delegation of financial powers shall be notified separately for officers to follow.
Lowest Evaluated Bid	(i) a bid most closely conforming to evaluation criteria and other conditions specified in the bidding document; and (ii) Having lowest evaluated cost;
Non-consulting services	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.
Procurement	The formal process of acquisition of goods, works, or services.
Procuring Agency	An organization, with responsibility to undertake procurement.
Procurement Committee	A committee established by PEDO to undertake evaluation of bids and quotations for procurement.
Professional engineering work	Professional advice and opinions, the making of measurements and layouts, the preparation of reports, computations, designs, drawings, plans, specifications and construction, inspection, and supervision of engineering works, in respect of: (i) Railways, aerodromes, bridges, tunnels and roads; (ii) Dams, canals, rivers, drains, harbors, lighthouses; (iii) Works of an electrical, mechanical, hydraulic, Communication, aeronautical, power engineering, and geological or mining character; (iv) Water works, sewers, filtration, purification and incinerator works; (v) Residential and non-residential buildings including foundations framework and electrical and mechanical systems thereof; and (vi) Structures accessory to engineering works and intended to house them;
KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority

Relevant Authority	The decision-making authority empowered to authorize all procurement transactions, to approve the choice of procurement methods and tender documents and to adjudicate tenders. A Relevant Authority may also be a Tender Committee, if so constituted.
Request for Proposals (RFP)	The term commonly used for bidding documents in the procurement of consultancy services.
Responsive Bid	A Bid that meets the technical requirements of a tender in the evaluation stage. Technically non-responsive bids do not go forward to the financial evaluation stage.
Restricted Tendering	Tender procedures other than Open Competitive Bidding. Restricted Tendering refers to Tendering based on a short-list of suppliers, on pre-qualification, or on the various methods of procurement concerned with sole suppliers or a limited number of suppliers
Technical Committee	Some time, PEDO may have to establish such a committee which shall assist a Procurement Unit, review documents and make evaluations in complex technical procurements.
Transparency	Openness and accessibility of information

Words, expressions and terms not specifically defined in these rules shall have the same meanings as attributed to them in relevant trade and industry practices.

2. INSTITUTIONAL AND LEGAL FRAMEWORK

This chapter reviews institutional arrangements established in PEDO for its operations and applicable legal framework especially in the context of Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA) Act 2012 and the KPPRA Rules 2014. An understanding of institutional arrangement and legal environment is important to facilitate compliance with the applicable laws, rules, and regulations. Key rules/provisions of the KPPRA Rules 2014 have been given in the boxes whereas explanation provided in subsequent paragraphs.

The provincial government established a Small Hydel Development Organization in 1986 to develop and use the hydel resources for power generation. The organization underwent many structural changes since its inception to enhance the operational effectiveness of this organization. The Pakhtunkhwa Energy Development Organization (PEDO) Act 2014 represents the latest attempt in this direction. The Act renamed Pakhtunkhwa Hydel Development Organization (PHYDO) as PEDO. The PEDO Act signaled the need to identify and utilize thermal, solar, wind or other alternate renewable energy sources in addition to hydel resources in the province. Further, it creates space for infusion of private sector expertise in the organization and stipulates that the Board of Directors will enter into public-private partnership in generation, transmission, and distribution of power.

2.1 Governance Arrangements

PEDO has elaborate governance arrangements for carrying out the purpose of the PEDO Act 2014.

- i. **An Apex Energy Committee**, The Government shall constitute an Energy Apex Committee to provide policy guide line to the Board. The Energy Apex Committee shall be headed by the Chief Minister, Khyber Pakhtunkhwa and shall consist of such other persons as the Government may determine
- ii. **Board of Director (BoD)**, Subject to the provisions of PEDO Act 2014, the powers, functions and management of the Organization shall vest in a Board constituted under PEDO Act 2014. The Board shall have a Chairman to be appointed by Government for a period of three years from amongst the persons having at least twenty years' experience in the field of energy and power or industries or financial sector, in such a manner and on such terms and conditions as the Government may determine. Other members of the board shall be as under:
 - Secretary to Government, Finance Department
 - Secretary to Government, Home and Tribal Affairs Department
 - President, Khyber Pakhtunkhwa Chamber of Commerce and Industries
 - Energy/Power/Financial Sector Experts (7)
 - Chief Executive Officer Member/Secretary

The Board can co-opt members from the private sector depending on its needs. The Board shall meet semi-annually. The Board shall make rules and regulations to ensure that PEDO deliver

against its mandate as stipulated in the PEDO Act 2014. The Board meets every six months to review the progress against established plans and take decisions.

- i. **A Chief Executive Officer (CEO)** CEO shall be appointed by Government from amongst the persons having expertise in the field of energy and power sector on such terms and conditions as the Government may determine. The term of office of the Chief Executive Officer shall be four years. On expiry of his term of office, the Chief Executive Officer shall be eligible for re-appointment for a subsequent term or terms or for such shorter term as Government may determine in consultation with the Board

2.2 Organizational Structure

PEDO is headed by a Chief Executive Officer (CEO) who implements the direction of the Board of Directors. PEDO has five operational wings namely Hydel, Solar, Wind, Distribution and Finance each of which is headed by a General Manager (GM). A team of Chief Engineer with support from senior managers and managers run PEDO's operations. Aside from this core structure, PEDO has hired other people from the market to run operations smoothly. Like any other dynamic organization, PEDO continues reviewing its organizational structure for improvement in its design.

PEDO is establishing a Procurement Unit (PU) to streamline its public procurement processes in line with the requirements of the Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA) and the Right to Information Act 2013. A Procurement Committee will also be established to facilitate review of bids and recommend best bids for PEDO. Further, a grievance redressal mechanism (GRM) has been established to handle complaints relating to public procurement and other matters. These mechanisms have been discussed in detail later in this manual.

2.3 Financial Management

A fund has been established under the act to enable PEDO to handle development agenda assigned to it under the PEDO Act 2014. The law also provides for an Investment Committee chaired by the CEO to review options for investment of surplus fund. Roughly 80-90% of funds for hydro projects in recent years have come from HEDF with the share of not ADP fund being less than 10-20% of the value of PEDO's portfolio. In few years, PEDO is likely to use HEDF for its projects and the practice of it being part of the ADP would cease.

PEDO follows cash-based accounting. Income statement and balance sheet are prepared annually based on accounting data and these reports are presented to, and approved by the BoD.

2.3.1 External Audit

Article 170(2) of the Constitution of Pakistan envisages that the audit of the accounts of the Federal and of the Provincial Governments and the accounts of any authority or body established by, or under the control of, the Federal or a Provincial Government shall be conducted by the Auditor-General (AGP), who shall determine the extent and nature of such audit. Accordingly, PEDO's accounts are audited by the office of the AGP. The AGP may also decide to conduct performance audit of PEDO if it deems appropriate.

2.4 Public Procurement Law/Regulations

The government of KP has a legal framework for public procurement under the KP Public Procurement Regulatory Authority (KPPRA) Act 2012. The Act seeks to improve governance, management, transparency, and accountability in public procurement of goods, works, and services across the province. The KPPRA has notified KPPRA Rules 2014 to facilitate procuring agencies like PEDO in compliance with applicable public procurement rules. Before the establishment of the KPPRA, different government units used to follow different procurement rules/practices which used to give rise to inefficiencies and opacity in public procurement. The KPPRA Rules prescribe "open tendering and competition" as default method for all public procurement.

2.4.1 Right to Information Act 2013

The government has enacted the Right to Information (RTI) Act 2013 to improve transparency in its operations and improve governance, reduce corruption, and to hold government officials accountable to its citizens. PEDO is required to keep record of its operations (especially procurement processes) handy to provide to citizens if they so request in writing. Any non-compliance can lead to a complaint being filed against PEDO in the Information Commission. Any obstruction to the provision of record at citizens' record is cognizable offence which could lead to six months in imprisonment and a fine of not less than PKR 50,000 subject to Clause 29 of the RTI Act 2013⁴.

2.4.2 Right to Public Service Act 2014

The government has enacted the Right to Public Service (RPS) Act 2014 which requires the delivery of public services to the people within the stipulated time limit, including liabilities of Government servants in case of default, administrative efficiency and for the matters connected therewith and incidental thereto⁵. PEDO needs to ensure that it complies with the Act in its operations.

⁴ For detail on the RTI Act 2013, please review the Act at <http://www.kprti.gov.pk/documents/1464163228574557c812356.pdf>

⁵ For detail on RPS Act 2014, please review the Act at <http://www.rts.gkp.pk/rtswweb/Downloads.aspx>

3. PRINCIPLES OF PUBLIC PROCUREMENT

This chapter reviews the principles of public procurement and prescribes Code of Ethics (CoE) in the light of the requirements of the KPPRA Act 2012 and the KPPRA Rules 2014. An understanding of these principles and code of ethics would enable PEDO to make its work both transparent and accountable while ensuring that it is able to get best value from its public procurements. Invariably, the officials need to use their judgment in applying these principles. In cases where an official finds it difficult to identify a proper course of action to proceed in a procurement process, legal advice may be sought before proceeding further in a procurement process.

Governments have to distinguish their roles from those of the private sector and prioritize their plans because the demands on them are unlimited, but resources are scarce. They need to be clear about their focus if they are to best serve the interests of their communities. There are some tasks that it is vital for governments to perform, and governments need to excel in them. They have to be fair, transparent, accountable and ethical in their operations carried out for this purpose. The institutions that together make up the government must accordingly follow these principles.

Clause3 (KPPRA Act 2012) General principles of public procurement

All public procurement shall be conducted in such a manner as provided in this Act, rules and regulations made under this Act and shall promote the principles of transparency, economy, value for money (VFM), accountability and swift grievance handling.

Clause14A (KPPRA Act 2012) Transparency, accountability and fairness

All procurement shall be conducted in a manner which promotes *transparency, accountability and fairness*.

3.1 Transparency

Transparency is defined as timely, easily understood access to public information. A government entity is said to be transparent when it makes its processes and decisions public. A government entity - which is required to be transparent in its work operates responsibly to be answerable to citizens.

The RTI Act 2013 has been enacted to empower citizens to seek information on/record of any decision that a government entity has made. Failure of the entity to respond promptly is treated as criminal offence in the law.

In public procurement, examples of transparency include publishing procurement policies; advance publication of procurement plans; advertisement of tender notices; disclosure of evaluation criteria in bid documents; publication of contract awards and prices paid; establishing appropriate and timely complaint/ protest/dispute mechanisms; implementing financial and conflict of interest disclosure requirements for public procurement officials; and publishing black-listed supplier etc.

Transparency requires that PEDO is able to defend its actions, or lack thereof, with documented evidence of conformity to the conditions of engagement and the conduct of its contractual obligations.

3.2 Accountability

The concept of accountability has two aspects to it. First, public officials must be able to justify their decisions and actions to the public and the institutions responsible for accountability of these officials. Second, the institution responsible for accountability must sanction the offending party or remedy the contravening behavior. In essence, accountability is about decision-makers taking ownership of their actions and having the obligation to report and/or answer to a designated oversight entity (and the public) on the consequences of those actions and decisions. PEDO is accountable and thus exposed to sanctions as a remedy for any behavior that leads to non-compliance with applicable laws, rules, and regulations.

3.3 Fairness

This principle emphasizes that decision-making and actions should be unbiased and nobody should get preferential treatment. Fairness is the quality of making judgement based on legal and contractual requirements without any discrimination. This remains the most fundamental principle of justice since its first articulation by Aristotle. Individuals should be treated equally unless they differ in ways that are relevant to the situation in which they are involved. In cases where people need to be treated differently, proper criteria should be established and followed strictly. For example, we consider it fair when government gives benefits to the needy that it does not provide to more affluent citizens because this is consistent with established criteria.

In public procurement, the fairness principle requires that all bids should be evaluated against established criteria and that only the bids that do not meet those criteria can be rejected. Contract for goods, works, or services should be signed with the bidder whose bid is compliant and responds best to the objectives of the requirement in terms of technical capability and price. Bidders should have the right to challenge the bidding process whenever they feel that they were unfairly treated.

Clause 14B. Competition (KPPRA Act 2012)

Except as otherwise provided for in this Act and the rules made thereunder, all procurement shall be conducted so as to maximize **competition** and to achieve **value for money (VFM)**: Provided that the exception shall be made only for acquisition of services for reasons to be recorded in writing by the procuring entity.

3.4 Competition

Open competition is considered the best method for public procurement across the world. All interested bidders should be permitted to participate in bidding process for procurement of goods, works and services. The use of competition in procurement ensures that everyone who can provide required goods, works, or services, participate in the procurement process. A procuring agency is likely to get a lower price for the same goods, works, or services under a competitive bidding than it would if it had not followed such competition. This happens because competition generates pressure on bidders to keep price low to win a contract.

The eligibility criteria should only exclude those bidders from participation in a bidding process who lack capability to fulfil the contract in question. Denying the participation of a bidder for reasons unrelated to its capability and resources to successfully perform the contract can create legal problems for PEDO and this should be avoided. Similarly, in cases where PEDO is using

Pre-qualification process, it should not disqualify any bidder for such reasons. PEDO shall carry out proper due diligence on technical and financial qualification of bidders to be assured of their capability in relation to the specific contract.

Only in exceptional circumstances can PEDO opt for a system other than “open competition” in its procurement and all deviations from open tendering should be properly justified in writing.

3.5 Value for Money (VFM)

Governments are funded with taxes and therefore they must demonstrate to tax payers that their taxes are well-spent. The VFM principle captures cost, quality, and impact of any spending. It can be assessed using the criteria of economy, efficiency and effectiveness.

- **Economy:** Reducing the cost of resources used for an activity, with a regard for maintaining quality.
- **Efficiency:** Increasing output for a given input, or minimizing input for a given output, with a regard for maintaining quality.
- **Effectiveness:** Successfully achieving the intended outcomes from an activity

A fourth “E” – equity – is now also sometimes used to ensure that value-for-money analysis accounts for the importance of reaching different groups⁷.

Clause 16 (KPPRA Act 2012). Ethics

- (1) All procurements shall be carried out in accordance with such Code of Ethics as may be prescribed.
- (2) Public officials as well as experts, engaged to deliver specific services in public procurement proceedings including evaluation of bids, shall be required to sign a Code of Ethical Conduct as may be prescribed.
- (3) All vendor of goods, works or services shall be required to sign a declaration of compliance with such Code of Conduct as may be prescribed.

3.6 Code of Ethics

This law requires that PEDO prescribe a Code of Ethics (CoE) which should be binding on PEDO officials, and others who take part in public procurement process as well as vendors of goods, works and services⁸. Any one failing to comply with these principles while performing a duty relatable to PEDO shall be liable for disciplinary action as deemed appropriate by PEDO. Accordingly, PEDO prescribes a CoE which emphasizes the principles of (a) integrity; (b) objectivity; (c) confidentiality; and (d) competency as basis for guiding the conduct and behavior of its officials, others who participate in public procurement process, and suppliers of goods, works, and services. These principles are explained briefly hereunder:

⁷ For detail, please review an authoritative article available on <http://www.oecd.org/development/effectiveness/49652541.pdf>

⁸ The Principles of Code of Ethics described in this sub-section have been adopted from the Principles and Rules of Code of Conduct prescribed by the Institute of Internal Auditors. For detail, please visit <https://na.theiia.org/standards-guidance/mandatory-guidance/Pages/Code-of-Ethics.aspx>

Integrity: Officials and other parties that interact with PEDO shall maintain high level of integrity in performing their respective roles and responsibilities and in making decisions in official matters. They will follow the law and make disclosures expected by the law and the circumstances surrounding a situation. They shall not be knowingly be a party to any illegal activity or engage in acts that are discreditable to PEDO or the government of KP. They shall respect and contribute to the legitimate and ethical objectives of PEDO.

Objectivity: Officials and other parties shall follow the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. They shall make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments. They shall not participate in any activity or relationship that will influence their judgment. In cases where they face a Conflict of Interest (CoI) situation or are aware of facts which, if not disclosed, may distort the reporting of activities by PEDO, they shall disclose it to the top management and let the latter take appropriate decision in the matter. The officials shall not accept anything that can influence their independence in making a judgement that is related to PEDO.

Chapter 1 of the KPPPRA Rules 2014 also prescribes that procurement exceeding a certain threshold shall be subject to an integrity pact between the procuring agency and the suppliers of contractor. The template prescribed by the Pakistan Public Procurement Regulatory Authority has been included as Annex-to this chapter for use for this purpose⁹.

Confidentiality Officials and other parties shall respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so. The officials shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives that PEDO is striving to achieve.

Competency Officials shall apply the knowledge, skills, and experience needed in the performance of their respective duties. In cases where an official requires technical support of handholding from other colleagues in performing a task, he or she will get assistance from colleagues in performing that task. The officials shall continually focus on improving their proficiency in their respective domains.

3.7 Conflict of Interest

The term "conflict of interest" is widely used in commercial and legal transactions, and is acknowledged in the codes of ethics of professional bodies, including engineering associations, to identify behavior that may be unacceptable¹⁰. Some examples of situations in which CoI may arise include:

- Conflict between consulting activities and the procurement of goods or works;
- Certain conflicts within consulting assignments, for example the preparation of terms of reference and participation in the resulting tenders;

⁹ For detail on this point, please visit the website of Pakistan Public Procurement Authority <http://www.ppra.org.pk/>

¹⁰ For detail treatment of this subject matter, please review the webpage of FIDIC at <http://fidic.org/node/752>

- The execution of a project or study execution and the evaluation of the same project or study;
- The design of a project and the study of its impact on the environment;
- Advice given to both government and buyer in, for example, privatization;
- A conflict arising from family or other personal relationships

The statements given above recognize that there is often subjectivity involved in matters of conflict of interest, where the all-important “question of degree” must be addressed. An organization can handle CoI situations properly by (a) establishing a Code of Ethics for its officials and other actors that interact with the organization in core processes and (b) following a system to ensure that the officials and other actors are complying with the CoE in their work. PEDO has prescribed a Code of Ethics and adopted the principles of fairness, competition, transparency etc. to manage the risks associated with CoI situations. This will facilitate PEDO in handling CoI situations properly in line with best international practices.

Clause 15 (KPPRA Act 2012) Confidentiality

(1) A procuring entity shall not, except when required to do so by an order of a Court, disclose any information if the disclosure would (a) cause a breach of this law or any other law; or (b) impede law enforcement; or (c) prejudice legitimate commercial interests of the parties; or inhibit fair competition; or (e) not be in public interest; (2) A procuring entity shall not disclose any information relating to the contents of offers, pre-qualification submissions and actual content of bids, proposals or quotations other than in a summary form setting out the evaluation and comparison of tenders, proposals or quotations received before award of the contract. The format/forms for announcement of bids evaluation and determination of the best evaluated bid shall be prescribed.

Chapter V (Miscellaneous Provisions)-Confidentiality

The procuring entity shall keep all information regarding the bid evaluation confidential until the announcement of the evaluation report in accordance with the requirement of rule 45 of these rules.

3.8 Confidentiality

When planning procurement, entities should consider the nature of the procurement and whether it is likely to raise confidentiality issues for the government. Any information that has either or all of the following characteristics should be treated confidentially by PEDO officials:

- Commercially sensitive information, disclosure of which is not in the relevant party's
- best interest;
- Details about commercially sensitive pricing information including profit margins and the underlying price basis;
- Details about insurance and liability regimes that are commercially sensitive;
- Details about intellectual property regimes that is commercially sensitive;
- Details about the capability/services being delivered that are commercially sensitive;

- Details about contractual rights and remedies, including warranties and financial guarantees, securities and liquidated damages that are commercially sensitive.

Confidential information should be managed in accordance with any relevant legislation and confidentiality provisions in the contract. Irrespective of the terms of the contract, disclosure of a supplier's confidential information may be necessary in some cases, for example to a parliamentary committee.

Clause 35 (KPPRA Act 2012) Grievance Redressal Mechanism (GRM)

(1) Any bidder aggrieved by any act of the procuring entity may follow the two tier grievance redressal mechanism in the following manner:(a) file a complaint in writing to the head of procuring entity in accordance with prescribed procedure; and (b) file an appeal to the Authority against the decision of the procuring entity within fifteen days in accordance with the prescribed procedure.

3.9 Grievance Redressal

The purpose of the CoE and other principles sets out a framework for PEDO officials and other actors interacting with PEDO for official business to keep the interest of PEDO above their self-interest. However, the CoE and the principles alone may not be sufficient to generate intended behavior among PEDO officials and others involved in business with PEDO unless a mechanism is established to get and review complaints against PEDO officials and other actors. PEDO has established a GRM for this purpose. Detail of this mechanism is provided in **chapter 10** of this manual.

4. PROCUREMENT PLANNING AND MONITORING

This chapter is meant to provide PEDO necessary guidance for planning public procurement and preparing annual procurement plans. The KPPRA Act 2012 and the KPPRA Rules 2014 stipulate that a procuring agency needs to establish these mechanism to conduct public procurements effectively. The chapter also introduces the concept of dashboard for PEDO to track implementation progress of the procurement plans.

Clause 22 (KPPRA Act 2012) Procurement Planning

(1) Each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timelines, and shall ensure equal opportunities to all prospective bidders. (2) All procurement requirements must be documented and approved by the procuring entity prior to commencement of procurement proceedings. (3) In specified circumstances, a procuring entity may proceed with the procurement proceedings except for award of contract when the availability of funding in the full amount over the required period remains to be confirmed/approved by the competent authority, provided that the project has been approved or has received anticipatory approval from the competent authority/forum or is otherwise within the competence of the procuring entity and budget provision exists.

Chapter V (KPPRA Rules 2014), Procurement Planning

Each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act.

Explanatory Note:

The law and rules basically emphasize the need for PEDO to ensure compliance with all the principles stipulated in **chapter 3** of this manual. PEDO is establishing a dedicated Procurement Unit (PU) with the responsibility to comply with the requirements of the law and rules. The PU shall report to the CEO directly and be responsible for following tasks:

- Procurement planning
- Preparation and updating of annual procurement plan
- Preparation of bid documents
- Publication of tenders/invitation to bids etc.
- Ensuring compliance with the KPPRA Act 2012, KPPRA Rules 2014, and other applicable laws, rules, regulations etc.
- Undertaking market surveys, keep updated information on supply side
- Maintenance of record of all procurements made by PEDO, including record of contract variation etc.
- Liaison with the KPPRA to upload tenders/contracts/other relevant information etc.
- Implementing measures to mitigate corruption and other unethical practices
- This chapter mainly describes (a) planning process for public procurement; (b)

annual procurement plan and (c) monitoring of procurement process.

4.1 Procurement Planning

Before the start of a financial year, the PU shall engage with constituent units to identify and consolidate procurement needs of PEDO during next financial year. This manual provides a Procurement Planning Template (PPT) to facilitate the PU in annual procurement planning. The PU shall consider each element of the PPT properly in the procurement planning process. The elements of the PPT are briefly described below for guidance:

Category: Categories include goods, works or consultancy services. Each category shall be separately indicated;

Description: A higher level specification of goods/works/consultancy services for each category.

Estimated Cost: This will be the cost of procuring goods/works/consultancy services.

Procurement Method:

- a) For works/goods, PEDO can use (a) national competitive bidding; (b) international competitive bidding; (d) direct purchase method etc. for procuring works/goods.
- b) For consultancy services, PEDO can use (a) Quality Based Selection and Process; (b) Quality and Cost Based Selection and Process; (c) Least Cost Selection and Process; (d) Single Source/Direct Selection and Process; and (e) Framework Contracts.

Prequalification: PEDO needs to assess if it would like to prequalify for some contracts. The decision needs to be reflected against each procurement item.

Estimated Dates for Critical Procurement Actions: PEDO will work out dates for all critical procurement actions to facilitate proper monitoring of procurement process. Following dates need to be reflected in the PPT:

- **Advertisement:** The date on which notice for prequalification of bidders/EOI for consultants will appear in the media and on the KPPRA website.
- **Bid Opening:** The date by which interested bidders (for goods/works) and interested consultants (for consulting services) will submit their prequalification/EOI documents.
- **Bids Evaluation Report:** The date by which PEDO will have prepared Bid Evaluation Report (BER) for a procurement process.
- **Award Decision:** The date by which PEDO will award contract after meeting all requirements for this action.
- **Completion of Supply/Works/Services:** This is the date on which a contract for supply of goods/works/services will come to an end.

The planning process will also help the PU in identifying critical procurement actions that need to be monitored to ensure that PEDO get goods, works and services when it needs these.

The PPT serves multiple purposes. First, it enables PEDO to identify critical aspects that need to be taken into account in procuring planning process. By covering these aspects in the procurement planning, PEDO will be able to get value for money from its procurement processes. Second, it provides basic information required to formulate Annual Procurement Plan

(APP) for PEDO to meet the requirement of the PPPRA Rules. And finally, it identifies critical procurement actions that can be subject to continuous monitoring to ensure that PEDO makes procurement as per the timelines that it faces. Failure to monitor critical procurement actions can lead to significant delays in procurement of goods, works, and services, thereby making it difficult for PEDO to meet its programmatic commitments with internal and external stakeholders.

PEDO needs to identify its procurement requirements at the same time that it prepares its annual budget. The planning process should also enable PEDO to identify expected timing and amounts of payments under different procurements during a financial year. This will help PEDO in working out the total payments to be made in a financial year under different procurements. This will, in turn, allow PEDO to keep sufficient funds in its annual budget to meet these liabilities.

The PPT is provided as **Annex-1** to this manual.

4.2 Annual Procurement Plan

The APP is derived from the PPT that has to be used as a guiding tool in procurement planning. The APP represents a culminating point in procurement planning process. It shall describe all proposed procurements, irrespective of value or methods, classified by categories i.e. goods, works, and services.

The KPPRA requires that the APP of procurement agencies should provide following information¹¹.

- Category
- Item's Description
- Estimated Cost
- Procurement Method
- Expected Advertisement Date
- Expected Completion Date

These elements have already been explained in the previous sub-section. The manual includes the APP format used by procuring agencies in KP in compliance with the KPPRA Rules 2014 as Annex-2 to this manual.

Like the PPT, the APP will be a living documents in that PEDO will revisit at least semi-annually to ensure that its emerging procurement needs are timely incorporated in this management tool. The PU will review PED's procurement requirements critically to package goods, works, and consultancy services logically and optimally in the APP. This will ensure that PEDO's APP meets the principles of economy and efficiency stipulated in the KPPRA Rules as narrated previously.

Once the PU has prepared the APP, it will present it to the CEO, PEDO, in the presence of heads of technical wings and other officials involved in finance and administration. The PC will explain the entire planning process that has gone into the formulation of the APP. Each category/item of procurement will be reviewed critically during the meeting from technical as well as financial perspectives. Minutes of this meeting will be recorded. Clause 22(2) of

¹ Sample plans are available on the KPPRA website at http://kppra.gov.pk/procurement_plans/

KPPRA Act 2012 requires that all procurement requirements must be documented and approved by the procuring entity prior to commencement of procurement proceedings.

The PU will lead in the development of the APP and documentation of steps at every stage of such development.

The PU will revise the APP based on the feedback provided by CEO and other officials during the meeting. The PU will submit revised APP to the CEO for approval. Once approved, PEDO will submit an electronic copy of the APP to the KPPRA to reflect compliance with Clause 14A of the KPPRA Act 2012 and Clause 19 (Public Accessibility) of the KPPRA Act 2012.

4.3 Procurement Monitoring

Procurement planning process will not lead to efficient and economic public procurements in line the rules mentioned previously unless PEDO effectively monitors the implementation of critical procurement actions vis-à-vis the timelines envisaged in the PPT.

The PPT includes estimated dates for critical actions under each category of procurement. These dates can be taken for benchmarks against which actual flow of procurement actions can be measured, gaps anticipated, and remedial actions initiated to minimize risk of PEDO not meeting the timelines of its procurement plans. Bids validity, performance warranty, bank warranty are some of the other time-sensitive elements that should be captured in the monitoring process to minimize risk of potential losses arising because of PEDO's failure to take appropriate action ahead of time.

This manual prescribes the use of dashboards to monitor the implementation of the APP. For this purpose, the PC will create and maintain a dashboard for every procurement project under the APP which is estimated to cost PKR 10800 Million or more. A sample dashboard for a consultancy contract (QCBS) has been added as Annex-3 to this manual for guidance.

The PC will closely monitor progress of critical procurement actions against the estimated timelines using individual dashboards. All significant variations will be explained in consultation with directors/managers and updated information included in the dashboard. Every week, the PC will prepare a higher level summary for the CEO/heads of technical wings of PEDO. The summary will flag significant gaps between expected and actual dates of procurement actions and suggest remedial measures. Aside from the actions covered in the PPT, the PC will include any other item(s) in the summary which it deems critical for PEDO with reference to the APP, or monitoring.

The PC will keep record of comments/remarks coming from the CEO/technical wings on issues and facilitate in implementing remedial actions. This will ensure that the monitoring mechanism is leading to corrective actions.

The dashboards will serve as an awareness tool to raise the profile of procurement function within PEDO and integrate procurement function within PEDO.

4.4 Procurement Planning and Standard Bid Document

As per the legal framework, PEDO is required to follow the rules and Standard Bid Document (SBD) prescribed by KPPRA in public procurement of engineering works, consultancy services and goods. While planning bidding for goods, works and consultancy services, PEDO should use the SBD available on the KPPRA's website. In case of unavailability of required documents for establishing criteria and terms and conditions for bidding, PEDO shall use Pakistan Engineering Council (PEC) SBDs.

The manual has used these documents and guidance provided on these websites for developing explanatory notes for different clauses of KPPRA Act 2009 and the KPPRA Rules 2014.

¹² For SBD for goods, please go to the KPPRA website <http://kppra.gov.pk/download/>

¹³ For SBD for engineering works and consultancy services, please go to http://www.pec.org.pk/pec_bid_docs.aspx

5. METHODS OF PROCUREMENT OF GOODS

This chapter explains the concepts and the rules covered in Chapter 2 of the KPPRA Rules 2014. Aside from explanation of the rules reproduced in the box, key steps involved in important procurement processes have been narrated to guide procurement actions.

(1) Open Tendering Open Competitive Bidding (2) Save as otherwise provided hereinafter and subject to the provisions of rule 10, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000 (rupees one hundred thousand) (3) The following procedures shall be permissible for open tendering, namely: (a) single stage, one envelop procedure; (b) single stage-two envelop procedure

Explanatory Note:

The two procedures are explained in following paragraphs.

- a. **Single stage, one envelope procedure:** This method should be used where cost is the only determining factor. Each bid shall comprise one single envelope containing financial proposal or offer and required information in accordance with the bid solicitation documents. This shall be the standard method of procurement of goods for simple and routine nature and where no technical innovation is involved.

Bidders submit bids in one envelope containing both “financial proposal” and “technical proposal”. The envelopes are opened in public at the date and time advised in the Bidding Document. The bids are evaluated, and following approval by the procuring agency, the contract is awarded to the bidder whose bid has been determined to be the lowest evaluated substantially responsive bid.

- b. **Single stage, two envelopes procedure:** This method shall be used where bids are to be evaluated on technical and financial grounds and price is taken into account after technical evaluation. Each Bid shall comprise a single package containing two envelopes—each sealed separately and placed in an outer envelope.

Initially, only the technical proposals are opened at the date and time advised in the bid document. The financial proposals shall remain sealed in custody by the PU. First, technical proposals are evaluated. No amendments or changes to the technical proposals are permitted. The exercise allows PEDO to evaluate the technical proposals without reference to price. Bids of bidders who do not conform to the specified requirements may be rejected as deficient bids, with the approval of the CEO.

Following approval of the technical evaluation and at a date and time advised by PEDO, the PU opens and evaluates financial proposals in public. The financial evaluation is approved by the CEO after which the contract is awarded to the bidder whose Bid has been determined to be the lowest evaluated substantially responsive Bid.

(1) In case of procurement of complex or specialized goods, this methods may be adopted.
(a) pre-qualification of prospective bidders and invitation of bids from the pre-qualified bidders.

Explanatory Note:

- a. **Prequalification method:** PEDO shall pre-qualify where total worth of contract exceeds (a) Rs.10 million and (b) in cases of contracts for large and complex goods and services in which there are high cost of preparing detailed bids.

Prequalification may be necessary for large or complex works, or in any other circumstances in which the high costs of preparing detailed bids could discourage competition, such as custom-designed equipment, industrial plant, specialized services, some complex information and technology contracts and contracts to be let under turnkey, design and build, or management contracting. It forces pre-qualified bidders to prepare bids seriously since they know it is serious business. The process helps the procuring agency to adjust criteria for selection of bidder in view of the competition for pre-qualification. It also reduces effort that would otherwise go in evaluating bids of unqualified bidders.

The process ensures that invitations to bid are extended only to those who have adequate capabilities and resources. Prequalification shall be based entirely upon the capability and resources of prospective bidders to perform the particular contract satisfactorily, taking into account their (a) experience and past performance on similar contracts, (b) capabilities with respect to construction or manufacturing facilities, and (c) financial position.

Evaluation criteria used in pre-qualification is similar to the one used in review of technical proposals. A total of 100 points are available for allocation with the ratio of technical to financial scores being 80:20. The table shows the break-up of these points for works¹⁴.

<i>Weights</i>	<i>Description</i>
Financial Score (20%)	Points are awarded for available bank credit line, working capital, registration with tax authority, litigation/blacklisting history ever.
Technical Score (80%)	
<i>General Experience (35%)</i>	Points are awarded for experience in undertaking projects of similar nature and complexity in the past 10 years and applicants' enlistment status.
<i>Personnel Capability (25%)</i>	Points are awarded for # of engineer registered with PEC, diploma holders and the length of their experience.
<i>Equipment capability (20%)</i>	Points are allocated for the equipment indicated in bidding documents. Each type of equipment is assigned a specific score and if an applicant has that equipment, the score assigned to that equipment is given to that applicant.

In case of consultancy contracts, the same ratio applies but the criteria is adjusted based on the nature of consultancy assignment. In both cases, the applicants must score overall 60% against established criteria to be qualified.

Process

- ☐ Select the appropriate standard pre-qualification documents, as notified for use by the KPPRA. In case of professional engineering works and consulting services, PEDO is required to use the standard bid document (SBD) prescribed for these purposes by Pakistan Engineering Council (PEC).

¹⁴ The PEC standard bid documents for pre-qualification explain this rationale for pre-qualification process http://www.pec.org.pk/pec_bid_docs.aspx

- Complete the pre-qualification document, completing the data sheet, the qualification criteria and a description of the type of goods, works or services to which the pre-qualification applies.
- Draft an invitation to pre-qualify notice.
- Submit the pre-qualification document and invitation to pre-qualify notice to the CEO for approval, together with the other documents required, prior to issue.
- Publish the notice.
- Issue pre-qualification documents to all bidders who request them.
- Receive applications up until the deadline. Late applications must not be accepted.
- Open the applications and record the names of all applicants. Public opening of the applications will be done on last date of PQD submission.
- Assess each application against the criteria defined in the pre-qualification document and determine whether each bidder is qualified or not qualified. Record the results of the evaluation.
- Prepare a list of pre-qualified bidders and obtain approval from the CEO for the evaluation and the pre-qualified list.

Enlistment of Suppliers

- (1) Procuring entity may establish a mechanism for enlistment of suppliers for the purposes of procurement of goods and related services only in exceptional or complex cases where specialized goods, equipment and related services are required
- (2) The process of enlistment with such departments shall be open to all prospective bidders. Annual renewal for all such pre-registrations or enlistment shall be done on regular basis.
- (3) The enlistment forms shall be made available at the department's and authority's websites in addition to all possible outlets at nominal or preferably no cost.
- (4) The enlistment or renewal with the relevant department shall be undertaken by a committee with five members with the chairperson being an officer of not less than BPS-19. Results showing the latest enlisted or renewed suppliers, those having rejected along with the recorded reasons for their rejection shall be made public within five days after the committee has concluded business in this regard.

Explanatory Note:

Enlistment is an exception rather than a norm. PEDO must ensure that only for exceptional or specialized cases does it use this enlistment process. PEDO shall strictly follow the principles of transparency, fairness, accountability as well as the Code of Ethics stipulated in chapter 3 of this manual. The enlistment shall not be one-off activity. The rules require that PEDO shall at least annually revisit the list of enlisted firms and renew. PEDO shall establish proper criteria for enlistment that shall also test whether or not the goods for which the enlistment is being done can be treated as "complex" or "specialized" in terms of the rule.

All principles of public procurement discussed in chapter 3 of this manual should be adhered while enlisting suppliers for complex/specialized tasks. Enlistment shall be done to have a ready list of supplier to reduce time required for verification at the time of bidding. PEDO shall examine the track record of suppliers in providing specialized goods and their financial status. Further, PEDO shall ensure that it has taken into account the blacklisting of the applicant as well as its litigation history as required under the PEC rules.

Process

- An open and transparent process shall be followed for enlistment which includes the placement of enlistment notice along with availability of relevant forms on PEDO's website.
- Interest suppliers of goods and related services shall fill up the form and submit along with a fee, if prescribed for the purpose.
- PU shall coordinate for the meeting of Procurement Committee for review of request for enlistment by interested suppliers.
- Procurement Committee shall review requests for registration periodically against established criteria and recommend eligible suppliers for registration.
- PU shall submit the list for the approval of the CEO.

- Upon the approval of enlistment of any suppliers, the list of enlisted suppliers shall be updated both on PEDO's and the KPPRA's website.
- The enlistment shall not grant the enlisted firm any preference in bidding process or award of contracts which shall be through open competition.

Enlistment only indicates that a firm/supplier is eligible to participate in procurement with respect to goods/works for which it has been enlisted. It does not guarantee that the firm/supplier will be selected to participate in any bidding process or for an award by virtue of being an enlisted firm.

Explanatory Note: Criteria for Qualification:

Qualification may apply under the Open Tendering and Restricted Tendering methods, if specified in the Bidding Document. It may also be used under the Two-Stage Tendering method. A decision as to whether Pre-Qualification or Qualification (or both) is required should be taken at the procurement planning stage.

Qualification will not normally be required under the RFQ method, since contracts will be of relatively low value and complexity, and quotations will be invited from known suppliers. Qualification will not normally be required under the RFP method, as the successful bidder's experience and staff are taken into account in the short-listing or evaluation process. Additional information for qualification process has already been explained earlier in this chapter.

ALTERNATIVE METHODS OF PROCUREMENT OF GOODS

A procurement entity may use the following alternative methods for procurement of goods, namely (a) procurement of goods up to Rs. 50,000/- may be undertaken by obtaining a single quotation through direct sourcing; (b) petty purchases between Rs. 50,000/- up to Rs. 100,000/- shall be procured through alternate methods only if the conditions mentioned in the Explanatory Note fulfilled.

Explanatory Note:

Sometimes, the time and cost of following an openly competitive process for public procurement does not generate "value for money" as defined in this manual. For example, if PEDO chooses to advertise its requirements of goods worth up to PKR 100,000, the cost of advertisement and coordination efforts that would go into this activity would far exceed the cost of goods. Taking this course would be inconsistent with the principles of efficiency and value for money articulated in rules. Alternative methods of procurement are prescribed to facilitate such procurements. The methods require simple steps to be taken as indicated below:

Single Quotation Method (up to PKR 50,000)

- Obtain single quotation from supplier(s)
- Evaluate the quoted price with the market price and its conformity with the Delegation of Financial Power
- Seek approval of the competent authority
- Place order for supply of goods

Three (3) Quotations Method (up to PKR 100,000)

- Send brief specification by requisition through post, to a number of suppliers (at least three) seeking written quotes
- Evaluate offers objectively against specified requirements and with the market price
- Select most suitable offer
- Process for seeking approval of the competent Authority (both financial as well as procurement)

Request for Quotation (RFQ) will contain full contents and same information for potential suppliers and its receipt should be properly acknowledged. The closing time, date and address for submitting quotations should be properly stated in the RFQ. Standard specification should be used as far as possible. In cases where the mention of a brand name, the term “or equivalent” should be added next to the specific brand or name. In case, amount pertaining to applicable tax is not added in the quotation, comparison of price is made after adding amount of applicable tax and during comparison, each item should be compared to the corresponding respective specification and bid evaluated to the corresponding total cost of the bid rather item wise cost.

a. Procurement entity shall only engage in an alternate method if the following conditions exist.

Explanatory

Note:

This rule stipulates different scenarios in which PEDO can choose “alternative methods of procurement” rather than following the preferred method of “open competition” under these rules. Each scenario with explanatory note is listed in the Explanatory Note.

- i. Repeat orders within a period of six months, provided that it does not exceed fifteen percent of the original contract. A competitive process takes time and significant efforts. Sometimes, a procuring entity may require the additional amount of goods/works that it has acquired through a competitive process. If the additional requirement constitutes less than fifteen (15%) of the original contract price, the procuring agency may choose to place order with the same contract for the same unit price rather than getting into a lengthy and costly competitive process.
- ii. In case of procurement through government organizations. In some cases, a government entity may be involved in providing the goods/works/services. In such cases, PEDO can directly procure from government entity. The direct sourcing to a government organization for provision of works, goods or services under a cost plus or fixed contract is possible if the government entity is not part of a joint venture or a sub-contractor. The government organizations shall be totally government owned and controlled or semi-autonomous and autonomous agencies under the administrative control of Federal Government or Provincial Government.
- iii. Where the procurement concerns the acquisition of spare parts or supplementary services from original manufacturer or supplier or sole distributor, provided that the same are not available from alternative sources. Direct Contracting provides a procedure for concluding a contract, where the

goods, works or services are only available from one supplier and there is therefore no point in conducting competitive procurement proceedings.

- iv. Where the procurement concerns the acquisition of spare parts or supplementary services from original manufacturer or supplier or sole distributor, Provided that the same are not available from alternative sources;
- v. Where a change of contractor or supplier would ensue the procuring entity to acquire material having different technical specifications or characteristics and would result in incompatibility or disproportionate technical difficulties in operation and maintenance, this shall be done with proper justification and recording of such reasons, provided that the contract or contracts do not exceed three years in duration.
- vi. Where the price of goods is fixed by Government. Procuring agencies are required to follow competitive process since this helps them get the best value for money in public procurement. In cases where prices are fixed, price competition would not make any sense.
- vii. Where the motor vehicles or machinery is purchased from local original manufacturers or their authorized agents at manufacturer's price including transportation charges and other applicable taxes. The situation is similar to the one covered in previous sub-section. PU shall follow the same process in procurement.
- viii. in case of emergency as defined in these rules and procurement specified under sub-rule 3(2)(a) and 3(2)(b), provided that the procurement entity shall specify appropriate forums vested with necessary authority to declare an emergency. PEDO cannot declare an emergency. Therefore, PEDO can invoke this rule for purpose direct contracting only after an emergency has been declared by the federal/provincial government. PEDO shall use this method where there is an emergency need for goods, works or services, which makes the use of any other method of procurement impractical.

The KPPRA Rules define "emergency" shall refer to situation that poses an immediate risk of loss, or has caused loss, or has high probability of escalating to cause immediate danger to health, life, property or environment as covered under the National Disaster Management Act,

2010 (Act No. XXIV of 2010) and shall include natural calamities, disasters, accidents, war and breakdown of operational equipment, plant, machinery or engineering infrastructures, which may give rise to abnormal situation requiring prompt and immediate action to limit or avoid damage to health, life, property or the environment.

It needs to be clearly understood that a simple urgency or a lack of earlier planning by the procuring agency do not constitute an emergency need. The justification must include the following details:

- The grounds on which single source is to be used;
- An emergency need for the goods, works or services;
- The reasons why there is an emergency need e.g. an unexpected outbreak of a contagious disease, a flood which has resulted in the destruction of a bridge on a major road or a landslide, which has left a building in a residential area dangerously unstable;
- A statement that there is insufficient time to use any other method of procurement;
- A statement that the quantity to be procured has been limited to what is needed to

address the emergency need; and any other relevant details.

The procedures for emergency procurement will be determined, to a certain extent, by the circumstances of the emergency and the time available to fulfil the requirement. Therefore, procurement staff will be required to use their professional judgement in determining how to proceed, but as a general rule should seek to follow established procurement principles and rules, to the extent possible.

- (a) A procuring entity may engage in negotiated tendering with one or more suppliers or contractors without prior publication of a procurement advertisement. This procedure shall be followed 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; and
- For reasons of extreme urgency brought about by events unforeseeable by the procuring entity, 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 entity:
- Provided that any procuring entity 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.

Explanatory Note:

This rule covers situations in which price is of “secondary” importance because the purpose of public procurement is too “specific” and “non-price factors” are critical for a procuring agency to realize the intended benefit from the procurement. Two examples will clarify the intent of this rule:

- Platonina International, UK has intellectual property rights over a “technical solution” that PEDO considers best suited for power generation through hydel sources in KP. PEDO feels that the technical solution may be appropriate for use in KP considering its hydel potential for power generation. However, a feasibility study needs to be carried out for adoption of this solution. PEDO should engage the experts from Platonina to carry out a feasibility study rather than any other expert.
- In case the feasibility study establishes that the technical solution is best suited to the needs of the province, the only way to adopt this solution lies in direct contracting with Platonina since this entity enjoys intellectual property right over the salutation.

Method of Advertisement

(1) The procurement entity shall engage in open competitive bidding if the cost of the object to be procured is more than the financial limit which is applicable under rule 10 purchases up to Rs. 2.5 million, shall be posted on the procuring entity's website or public procurement regulatory authority (PPRA's) or both. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring entity. (2) For all purchases, other than those being covered by the Khyber Pakhtunkhwa Procurement rules 3 and 10, shall be advertised in print media, appearing in at least one national English and one Urdu newspaper with nationwide circulation along with advertising the same either on the procuring entity or Authority website. (3) A procuring entity 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.

Explanatory Note:

The publication of an invitation to tender notice is required under the Open Tendering method, where no pre-qualification has been conducted. (An Invitation to Tender Notice may also be published under the Two-Stage Tendering method. The publication of notices may apply to goods, works, routine services and consultancy services. Advertisement will attract the widest possible competition, which should assist PEDO in obtaining value for money or in preparing a strong shortlist of bidders; and offer all potential bidders a fair opportunity to tender or pre-qualify for contracts financed from public funds.

Process

- If the estimated value of the procurement is up to PKR 2.5 million, tender must be published on the authority's website. Procurement of this value may also be advertised in the print media if PEDO so chooses, but this is NOT mandatory. Advertisement will increase competition and transparency and ensure that enough bidders participate in the process. In the absence of tendering through print media, some eligible bidders may not get to know of the bidding process.
- Procurement with an estimated value in excess of PKR 2.5 million should also be advertised in print media having a wide circulation. Such advertisements should be placed in at least two national daily newspapers, one Urdu and one English.
- The response time shall not be less than 15 days for national bidding and 30 days for international competitive bidding.
- PEDO shall continue to use its own website for tendering in addition to using the
- KPPRA website as well as the leading newspapers.
- For international tendering, arrange publication in appropriate publications of wide international circulation, such as internationally recognized newspapers, relevant trade journals, the internet, etc. When the World Bank (WB) or any other agency is financing the procurement, notices must be placed in the WB's "Development Business" publication.
- Ensure that sufficient copies of the bidding or pre-qualification document are available at the PU's offices for distribution from the first publication date.
- In cases where a bidder seeks clarification on specification or any other

significant matter before the bid submission date, PEDO shall make sure it communicates the same response to all bidders who purchased the bid document. The clarification may also be uploaded on PEDO's website as well as the website of KPPRA.

Bid Security

(1)The procuring entity may require the bidders to furnish bid security of up to two per cent in case of procurement of goods, if required. (2)In cases, where procurement is of complex nature, bid security up to 5 percent can be applied. (3)Bid security shall be kept sealed in the financial proposal. In case of two stage two envelopes the bidder shall, in addition, keep an affidavit in the technical proposal stating that a bid security amounting to 2, 3, 4 or 5 percent, as may be the case without indicating the figure in the letter, has been placed in the financial proposal or bid. Otherwise the technical proposal will be considered non-responsive and will be returned to the bidder after being examined by the procurement committee.

Explanatory Note:

Bid security is the part of evaluation of any firm and should be submitted (if the amount is specified in the ITB) along with technical proposal, and if required in percentage of the cost of item(s)/ services then with the financial proposal. Technical proposal envelopes which do not contain any Bid Security (where required in the ITB) are rejected and are not evaluated further.

Tender Documents should clearly state that bidders should enclose Bid Securities (where required in terms of fixed amount) within the Technical Proposal Envelope of their bids and not within the Financial Proposal Envelope.

Goods Warranty

Where possible, the procuring entity shall ask for a warranty from the supplier or contractor, for replacement or repair of the procured goods falling in the warranty period.

Explanatory Note:

This is because the presence or absence of a Bid Security (where required) in the correct format and for the amount specified is one of the key criteria in any preliminary evaluation of bids. Technical proposals which do not contain the Bid Security (if required) will not be evaluated and the bid will be rejected at this first bid opening stage.

The reasons why the goods, works or services must come from the same source, e.g. spare parts or consumable items must be compatible with the original equipment and the use of substitutes would invalidate the warranty, the procuring agency is standardizing on a particular type of vehicle, as it offers savings in costs for maintenance, stock-holding of spare parts and user training, an extension is required to a building and use of a different contractor would invalidate the original contractor's liability for the building, additional computers are to be installed within an existing network and use of a different supplier would invalidate warranty, etc.

6. PROCUREMENT OF WORKS AND NON-CONSULTING SERVICES

This chapter explains the concepts and the rules covered in Chapter 3 of the KPPRA Rules

2014. Aside from explanation, key steps involved in important procurement processes have been narrated to guide procurement actions.

Open tendering open competitive bidding as principal method of procurement

(1) Save as otherwise provided hereinafter and subject to the provisions of rule 10, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000/ rupees one hundred thousand; (2) the following procedures shall be adopted for open competitive bidding:

- (a) Single stage-one envelop bidding
- (b) Single stage-two envelop bidding
- (c) Two stage—two envelop bidding

Explanatory Note:

The three procedures are explained in following paragraphs.

a) Single stage-one envelop bidding: This procedure shall ordinarily be the main open competitive bidding procedure used for the procurement of works and standard goods. This method is relevant where the technical requirements have been clearly defined and the bidder only has to demonstrate compliance to those requirements. Bidders submit Bids in one envelope containing both the Financial Proposal and the Technical Proposal. The envelopes are opened in public at the date and time advised in the Bidding Document. The Bids are evaluated, and following approval by the procuring agency, the Contract is awarded to the Bidder whose Bid has been determined to be the lowest evaluated substantially response.

b) Single stage-two envelopes bidding: This procedure shall ordinarily be the main open competitive bidding procedure used for large and complex contracts for which bidders have already been prequalified.

c) Two stage-two envelop bidding: This method shall be used for turnkey or large or complex contracts and ensures that all technical proposals conform to the same acceptable technical standards required by the procuring entity. The primary difference between this and the one-stage two envelop process is that bidders are allowed to modify their technical proposal in this method.

- PU conducts either pre-qualification or prepares an invitation to tender notice for issuing the bidding documents to eligible contractors following the process previously explained.
- PU prepares bid documents for the process which entails engaging with concerned PD/PM to get technical specification completed to go in bid document. Technical

specification should be prepared to help potential bidders work out alternative technical solution(s) to PEDO's requirement. The bid documents shall clearly state applicable criteria and the requirements related to "two stage-two envelop procedure" to be following in procurement.

- PU issues bidding document to the short-list of contractors. The short-list has been done through the request for tender notice/EOI notice floated earlier for this purpose.
- PU organizes pre-bid conference and provides other support required to help the short-listed contractors understand technical requirements properly so that they can propose viable alternative solutions in response.

Stage-1

- Each bidder shall submit a single package containing two separate envelopes. Each envelope shall contain separately the technical proposal and the financial proposal; the envelopes shall be marked as technical proposal and financial proposal to avoid confusion;
- PEDO opens only technical proposals are opened at the date and time advised in the Bidding Document. The price proposals remain sealed and are held by the PU.
- PC shall review relative advantages and disadvantages of the alternative technical solutions submitted. It shall discuss only technical matters with any bidders. Based on this interaction, PU shall finalize the description of its technical requirements under this procurement. In case the discussion with bidders has led to substantial changes in technical specifications compared to the ones given in the bid document, PC may consider recommending the cancellation of the process and re-start of procurement based on new specification.
- PC shall discuss technical proposals with bidders for clarify and further refinement.
- Bidders will be asked to revise their technical proposals in light of further direction/clarification given for this purpose.
- Bidders who not agree on revising technical proposals shall be allowed to withdraw their bids.
- The PU shall prepare a summary report for this process and submit it to the CEO for approval.
- The CEO may seek clarification from the chairman of the PC or the PU before approving the list.

Stage-2

- Bidders shall submit revised technical proposal and supplementary financial proposal. Bidders shall be allowed sufficient time to revise technical proposals and prepare supplementary financial proposal for this stage of bidding.
- The PC shall open revised technical proposals and financial proposals (original and supplementary) of the bidders who submitted these as a result of interaction between PEDO and bidders.

- The PC shall review proposals against established criteria and rank the proposal in terms of “lowest evaluated bids”. The PC shall recommend the lowest evaluated bid for acceptance and award of contract.
- The PC shall prepare a BER recording all the proceeding of stage-1 and stage-2 for award of contract.
- The PU shall submit to CEO the BER along with recommendation for award of contract to the lowest evaluated bidder for approval.
- The CEO may seek clarification from the chairman of the PC or the PU before approving the BER;
- The PU shall arrange to publish the BER on PEDO’s and the KPPRA’s website promptly.
- The PU shall engage with the selected for award of contract for negotiation of terms and conditions of contract.
- The PU shall issue a notice of acceptance to the selected contractor.
- PEDO and the selected bidder shall sign off the contract.
- The PU shall arrange to publish the contract award on PEDO’s and the KPPRA’s website promptly. Unsuccessful bidders shall also be notified of the outcome of the process.
- PU to facilitate de-briefing to the unsuccessful bidders, where it gets such request from any unsuccessful bidder.

ENLISTMENT

- (1) Enlistment shall not be deemed as pre-qualification or post-qualification.
- (2) The process of enlistment shall be open throughout the year and any prospective bidders shall be allowed to apply for without any hindrance.
- (3) Procuring entities shall decide the applicable nominal fee and the period of such pre-registrations, after which a renewal shall be necessary.
- (4) Such enlistment/renewal with the relevant department shall be undertaken by a committee with five members with the chairperson being an officer of not less than BPS-19. Results showing the latest registered/renewed suppliers, those having rejected along with the recorded reasons for their rejection shall be made public within five days after the committee has concluded business in this regard.
- (5) Criteria for enlistment shall be based on the evaluation of technical and financial worth i.e. works executed, indicating value of works, list of technical and other staff, plant/equipment along with the made and financial capacity.
- (6) The criteria and list of enlisted bidders shall be posted on the department and Authority web-sites as well as on a notice board placed in the respective departments at an accessible site for public viewing.
- (7) Bidding may be limited to enlisted bidders.

Explanatory Note:

This rule sets out similar requirements for enlistment of contractors for works and non-consultancy services that are stipulated in previous chapter for enlistment of suppliers for goods. PEDO shall follow the principles of transparency, fairness, accountability as well as the Code of Ethics stipulated in chapter 3 of this manual in the enlistment process. PEDO shall enlist a contractor under this rule for three (3) years for a fee of PKR 5,000 for works that are estimated to individually cost PKR 10 million or less. The contractors shall submit request for renewal six (6) months before the expiry of the registration. Enlistment shall be done to have a ready list of contractors to reduce time required for verification at the time of bidding. PEDO shall examine the track record of suppliers in providing specialized goods and their financial status. Further, PEDO shall ensure that the supplier has not been blacklisted/banned/suspended in the past three years.

- An open and transparent process shall be followed for enlistment which includes the placement of enlistment notice along with availability of relevant forms on PEDO's website.
- Interested contractors and those seeking renewal of their registration shall fill up the form and submit along with a fee, if prescribed for the purpose.
- PU shall coordinate for the meeting of Procurement Committee for review of request for enlistment by interested suppliers.
- Procurement Committee shall review requests for registration periodically against established criteria and recommend eligible suppliers for registration. The criteria shall primarily assess a contractor's capability to execute required works. The criteria will cover:
 - Number and types of work/non-consultancy services provided in recent years;
 - Value of each work/non-consultancy services
 - List of permanent technical and managerial staff along with information on their qualification, experience with the contractors
 - Inventory of plants/equipment available with contractors
 - Bank statement/audited financial statement etc.
- The PC shall recommend the applicants for enlistment that meet the eligibility criteria.
- PU shall submit the list for the approval of the CEO.
- Upon the approval of enlistment of any suppliers, the list of enlisted suppliers shall be updated both on PEDO's and the KPPRA's website.
- The unsuccessful contractors shall also be notified of the outcome of the enlistment process.
- The enlistment shall not grant the enlisted firm any preference in bidding process or award of contracts which shall be through open competition.

Enlistment only indicates that a firm/supplier is eligible to participate in procurement with respect to works for which it has been enlisted. It does not guarantee that the firm/supplier will

be selected to participate in any bidding process or for an award by virtue of being an enlisted firm. If a contractor is not enlisted, it shall not bar it from participating in bidding. However, the contractor must get registered with PEDO before an award decision is made under procurement process.

PRE-QUALIFICATION OF CONTRACTORS

(1) A procuring entity, in the first stage shall pre-qualify bidders for specific contracts in cases where total worth of contract exceeds Rs. 45 Million or a work irrespective of its worth is considered as complex.

(2) The procuring entity shall pre-qualify bidders by soliciting various details including but not limited to the following providing pass/fail thresholds, in accordance with the provisions of the Act and rules 17(1) and 34 of these rules.

- a. legal status along with proof of registration with PEC and enlistment with the concerned provincial Government PE;
 - b. proof of valid or renewed relevant registration;
 - c. proof of being a taxpayer;
 - d. organizational profile, relevant experience, past performance, list of clients and references;
 - e. existing capabilities with respect to technical personnel, computing and engineering equipment, machinery and plant as may be the case;
 - f. financial position for the last three years including bank statements and audited reports by an external auditor;
 - g. proof of possessing appropriate managerial capability; and
 - h. any other factor that a procuring entity may deem relevant, and is duly included in the bid solicitation documents, depending on the nature and complexity of the contract but not inconsistent with the Act and these rules.
- (3) Bidding shall be limited to pre-qualified firms.

(4) Qualified bidders shall be issued the tender documents.

(5) For further process sub-rule (2) of rule 6 shall be followed.

Explanatory Note:

Pre-qualification process for works and non-consulting services is the same that has been explained in previous chapter for goods. The primary difference is that PEDO shall follow this procedure in all cases where the estimated cost of works is likely to exceed PKR 45 million.

OPEN TENDERING POST-QUALIFICATION OF CONTRACTORS

(1) In case of contracts costing between Rs. 2.5 million to Rs. 45 million, the procuring entity may choose to call for bids with the condition of post-qualification provided in the bidding documents.

(2) The post-qualification criteria provided in the bidding documents shall be based on the evaluation of technical and financial worth i.e. works executed, indicating value of works, list of technical and other staff, plant or equipment along with the make and financial capacity.

(3) Bidding documents shall be made available to all interested bidders.

- (4) The qualification of the lowest evaluated responsive bidders shall be checked to ensure whether or not the bidder is qualified to perform the works.
- (5) If the lowest evaluated responsive bidder is not found to be qualified on all the post-qualification criteria provided in the bidding documents, its bid shall be rejected.
- (6) Credentials of the next lowest evaluated responsive bidders shall then be checked against all of the post-qualification criteria provided in the bidding documents, and the contract

Explanatory Note:

Post-qualification process for works and non-consulting services is the same that has been explained in previous chapter for goods. The primary difference is that PEDO shall follow this procedure in all cases where the estimated cost of works and non-consultancy services lies between PKR 2.5 million to PKR 45 million.

ALTERNATE METHODS FOR PROCUREMENT OF WORKS, AND NON-CONSULTING SERVICES

A procurement entity may use the following alternative methods for procurement, namely:

- (a) Petty purchases, -- procurement of upto Rs. 50,000/- may be undertaken by obtaining a single quotation through direct sourcing;
- (b) Request for quotations,-- procurement from Rs. 50,000/- up to Rs. 100,000/-

Explanatory Note:

The two alternate methods for procurement of works and non-consulting services are the same that has been explained in previous chapter for goods.

- (c) Procurement entity shall only engage in an alternate method if the following conditions exist.
 - i. 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 works subject to limitation of repeat or variation order;

Explanatory Note:

This rule stipulates different scenarios in which PEDO can choose “alternative methods of procurement” rather than following the preferred method of “open competition” under these rules. Each scenario with explanatory note is listed in the Explanatory Note. The first scenario is where work represents a natural extension of an ongoing work. For example, during the construction of hospital or school, the relevant implementing agency may realize that number of rooms for patients or children should be increased to generate larger value of public benefits from the project. In such cases, it does not make sense to get into bidding process to engage a contractor. The extension in the scope of ongoing work is more appropriate choice in public procurement.

Process

- PD/PM requiring additional works shall submit a request to that effect to the PU with full justification and specification.
- PU shall review—whether the justification holds ground and the estimated cost of additional work. The PU may discuss the merit of procurement with the relevant PD/PM. In case the estimated cost of additional work is more than 15% of the original contract price, PEDO cannot follow this rule. The PU shall also assess that the additional work requirement is not under-assessed to remain within this 15% threshold.
- PU shall engage with the contractor to ascertain the willingness and terms and conditions acceptable to the contractor for additional work in the light of provisions of existing contract agreement. In cases where PEDO needs to extend the scope of existing contract, a contract variation can be processed after the CEO approves the extension in the scope of the existing contract. In case the contractor has finished work less than six months ago, PEDO shall need to engage with the contractor to get to an agreement on terms and conditions that will govern the additional work
- PU shall prepare a case—supported with justification and including information on cost and timelines for execution, and submit it to the CEO.
- The CEO must review and approve the case before PU takes next steps.
- The CEO may ask Procurement Committee for review and recommendation before approving it.
- Upon approval, PU shall advise the PD/PM concerned to issue a contract variation to the contractor.
- PU shall ensure that the revised contract/contract variation is placed on PEDO's and the KPPRA's website

- | | |
|------|---|
| ii. | in case of procurement through government organizations, in accordance with provisions of rule-3(2)(c) of these rules; |
| iii. | where a change of contractor or supplier would oblige the procuring entity to acquire material having different technical specifications or characteristics and would result in incompatibility or disproportionate technical difficulties in operation and maintenance, this shall be done with proper justification and recording of such reasons, provided that the contract or contracts do not exceed three years in duration; |
| iv. | in case of emergency as defined in these rules and procurement specified under sub-rule |

3(2) (a) and 3(2) (b), provided that the procurement entity shall specify appropriate forum vested with necessary authority to declare an emergency;

The three scenarios mentioned in rules for works and non-consulting services in this chapter are identical to the scenarios given for goods in previous chapter. The process stipulated for handling procurement under these scenarios in previous chapter for goods should also be followed for

works and non-consulting assignment.

- v. subject to the conditions of contract, a procuring entity may, insure a variation order to a contractor to include works which were outside the original scope of works to ensure interests of Government and for reasons of economy, compatibility and efficiency provided that:
- a. the original contract is still in force;
 - b. the procuring entity has satisfied itself for technical reasons that the placing of the variation order is cost effective;
 - c. the value of variation order is not more than fifteen percent of the original contract; and
 - d. there may be more than one variation orders as long as the total value of all the variation orders remains within 15 percent of the original contract.

Under this rule, the first scenario represents a natural extension of an ongoing work. The scenario (v) may or may not represent such logical extension in the scope of work. Another difference is that under scenario (i), PEDO can award additional work irrespective of the fact that a contract is ongoing or has expired. In case of scenario (v), PEDO can only do so under an existing contract.

Process

- PD/PM requiring additional works shall submit a request to that effect to the PU with full justification and specification.
- PU shall review—whether the justification holds ground and the estimated cost of additional work. The PU may discuss “technical reasons” made for use of this method for extending the scope of an existing contract with the relevant PD/PM and other experts if deemed appropriate. If the contract variation—resulting from the proposed additional work, increases the cost of an existing contract beyond 15% limit set down in the rule, the PU shall not process such request. The PU shall also assess that the additional work requirement is not under-assessed to remain within this 15% threshold.
- PU shall prepare a case—supported with justification and including information on cost and timelines for execution, and submit it to the CEO.
- The CEO must review and approve the case before PU takes next steps.
- The CEO may ask Procurement Committee for review and recommendation before approving it.
- A contract variation can be processed after the CEO approves the extension in the scope of the existing contract.
- Upon approval, PU shall communicate to the PD/PM concerned to issue a contract variation to the contractor.
- PU shall ensure that the revised contract/contract variation is placed on PEDO’s and the KPPRA’s website

METHOD OF ADVERTISEMENT

- (1) The procurement entity shall engage in open competitive bidding if the cost of the object to be procured is more than the financial limit which is applicable under rule 10. Procurement from Rs. 100,000/- to Rs. 2.5 million shall be posted on the procuring entity's website or Authority website or both. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring entity.
- (2) For all procurement, other than those being covered by rule 10 shall be advertised in print media, appearing in at least one national English and one Urdu daily newspaper with nationwide circulation along with advertising the same either on the procuring entity or Authority website or both.
- (3) A procuring entity 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.

Explanatory Note:

The publication of an invitation to tender notice is required under the Open Tendering method, where no pre-qualification has been conducted. (An Invitation to Tender Notice may also be published under the Two-Stage Tendering method. The explanation and process for advertisement have been described in previous chapter for "goods" under the same heading. The explanation and process applies to the procurement of works and non-consulting services as well.

BID SECURITY

- (1) The procuring entity may require the bidders to furnish bid security of two per cent in case of procurement of works, if required.
- (2) The bid security shall be kept sealed in the financial proposal. In case of single stage two envelopes, the bidder shall in addition, place an affidavit in the technical proposal stating that a bid security amounting to 2 percent without indicating the figure in the letter, has been placed in the financial proposal or bid. Otherwise the technical proposal will be considered non-responsive and will be returned to the bidder after being examined by the procurement committee.
- (3) The bid security will be returned to unsuccessful bidders after signing of the contract with the successful bidder.
- (4) The bid security of the successful bidder will be retained in case no performance guarantee is required, however such a condition shall be mentioned in the bidding document. [In case performance guarantee is required, the bid security of two percent (2%), as specified in sub-rule (1), of the successful bidder, shall not be returned. The successful bidder shall be required to deposit eight (8%), of the cost of the contract in the shape of an irrevocable bank guarantee.]*

Explanatory Note:

The explanation provided in previous chapter under the same heading for "goods" applies to "works and non-consulting services" as well. However, PEDO has the option of keeping it to 2% for works whereas for goods procurement, the amount can be up to 5% in cases where complex goods are to be procured. For works, PEDO shall retain the bid security of successful bidders and adjust it against the amount of performance guarantee required at the time of signing of contract. For example, if PEDO has asked for a bid security of 2% from every bidder, the bidder who gets the contract shall submit a performance warranty of 8% provided the requirement of 10% performance guarantee has been set out in the bid document.

PERFORMANCE GUARANTEE

The procuring entity may ask for a performance guarantee from the contractor, which shall not exceed 10 percent of the bid value, as would be specified in the standard bid solicitation documents or standard bidding document.

Explanatory Note:

PEDO will decide where performance guarantee is required and in such a case the requirement will be clearly expressed in bidding documents. However, the performance guarantee shall not exceed ten percent of the contract amount. The bid document includes standard form for performance security that should be used by bidders for this purpose.

7. PROCUREMENT OF CONSULTANCY SERVICES

This chapter explains the rules applicable to PEDO in the procurement of consultancy services which are of an intellectual and advisory nature and differ from the other types of services directly connected with the procurement of goods and works in which the physical component of the activity is the main function and often involves equipment-intensive assignments.

PEDO can choose either of the following systems for the selection of consultant:

1. Quality based selection (QBS)
2. Quality and cost based selection (QCBS)
3. Least cost
4. Single source or direct selection
5. Fixed Budget

a. Quality based selection (QBS):

This system will be used for highly specialized and complex assignments, where quality is the only factor taken into consideration;

Explanatory Note:

The QBS methodology applies to evaluations for consultancy services only. It consists of three stages:

- a preliminary screening, to eliminate proposals which do not comply with the basic requirements of the RFP document and bidders who do not meet mandatory eligibility requirements;
- a detailed technical evaluation to assess the quality of proposals, using a merit point system and to determine the highest quality proposal; and
- a financial evaluation to examine the financial proposal of the bidder with the highest technical score only and prepare for any discussions.

The successful proposal will be the proposal with the highest technical score.

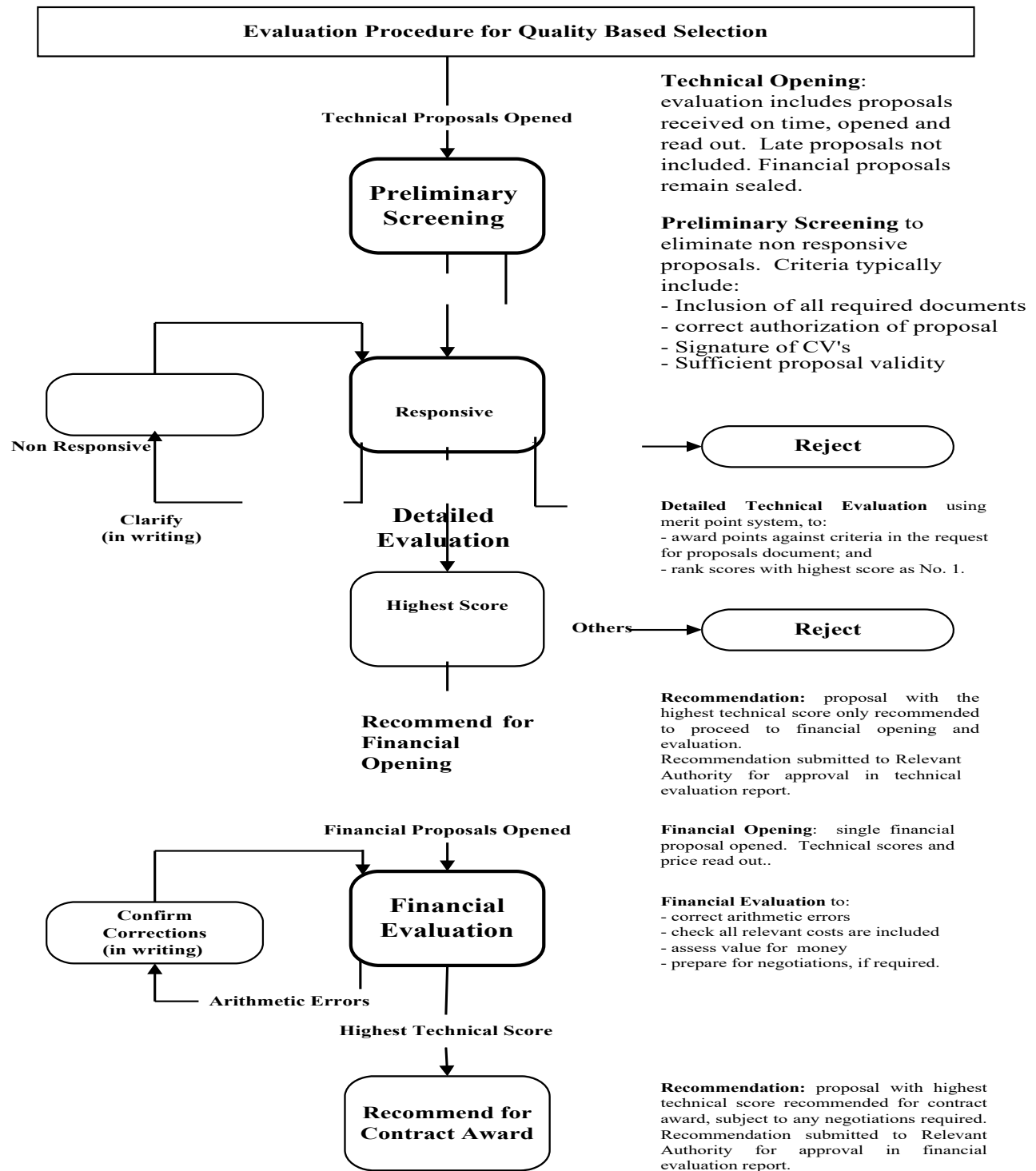
The PD/PM develops terms of reference (TORs) and evaluation criteria for the selection of consultant and submits it to the PU—along with the proposal for use of QBS method for consultant selection. The PU seeks approval of the CEO before floating the Expression of Interest (EOI) notice in the print media and on PEDO's and KPPPRA's website. Since PEDO usually requires consultancy services for engineering purposes, it must follow the standard bid document (SBD) prescribed by Pakistan Engineering Council (PEC) for works and consultancy services. The procedure followed for preparing short-list of eligible consultant is similar to the one described for pre-qualification of contractors in previous chapters.

While the EOI documents are being reviewed by the PC, the PU works with the PD/PM concerned and other technical experts to prepare the Request for Proposal (RFP) document to be issued to the short-listed consultants. The PU secures the approval for the issue of RFP document to the short-listed consultants at the same time that it obtains approval for the short-list. The RFP

document mentions that the QBS shall be the method for the selection of consultant.

Process

- The short-listed consultants submit their technical and financial proposals at the appointed time;
- The PU shall open technical proposals and conduct preliminary screening to ensure that all general requirements are met.
- The PU shall orientate the Procurement Committee (PC) about the terms of reference, the criteria and the maximum number of points for each of the criterion specified in the RFP and how the proposals should be scored consistently. The officials who were involved in the preparation of TORs, criteria, specification etc. may be called upon to facilitate the orientation process.
- The PC shall conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference. Each member of the PC shall score every technical proposal. This will follow the PC collectively reviewing individual scoring for every proposal and assigning an aggregate score to each proposal. The process shall enable the PC to identify the proposal with the highest technical score.
- The PU, based on the scoring and explanation provided by the PC, shall prepare a technical evaluation report (TER) on the format attached as annex-1 to this chapter. Every member of the PC shall sign off the report.
- The PU shall submit the TER to the CEO for approval. The CEO may discuss the ranking of proposals with the chair of the PC or the head of the PU before approving the ranking.
- The PU shall notify the bidder whose proposal gets the highest technical score of the date, time and location for the financial tender opening and conduct the tender opening. Other bidders, who were also ranked by the PC, are informed that they considered for financial evaluation and discussions, if discussions with the highest ranked bidder fail. Any Bid Security should also be retained until the procedure is completed and a winning bidder chosen.
- The PC shall examine the financial proposal, correcting any arithmetic errors and checking whether all relevant costs have been included in the proposal. Assess whether the proposal prices offer value for money to the procuring agency, decide whether discussions are required and prepare for discussions.
- Prepare a financial evaluation report and seek the approval of the CEO.



b. Quality and Cost Based selection (QBS):

This system will be used where high quality is the prime consideration while cost is a secondary consideration

Explanatory Note:

The QCBS methodology applies to evaluations for consultancy services only. It consists of three stages:

- a preliminary screening, to eliminate proposals which do not comply with the basic requirements of the RFP document and bidders who do not meet mandatory eligibility requirements;
- a detailed technical evaluation to assess the quality of proposals, using a merit point system and to eliminate proposals which do not meet the specified minimum score; and
- a financial evaluation to compare the costs of proposals which reached the minimum score, to award financial scores and to weight the technical and financial scores to give a total score for each proposal.

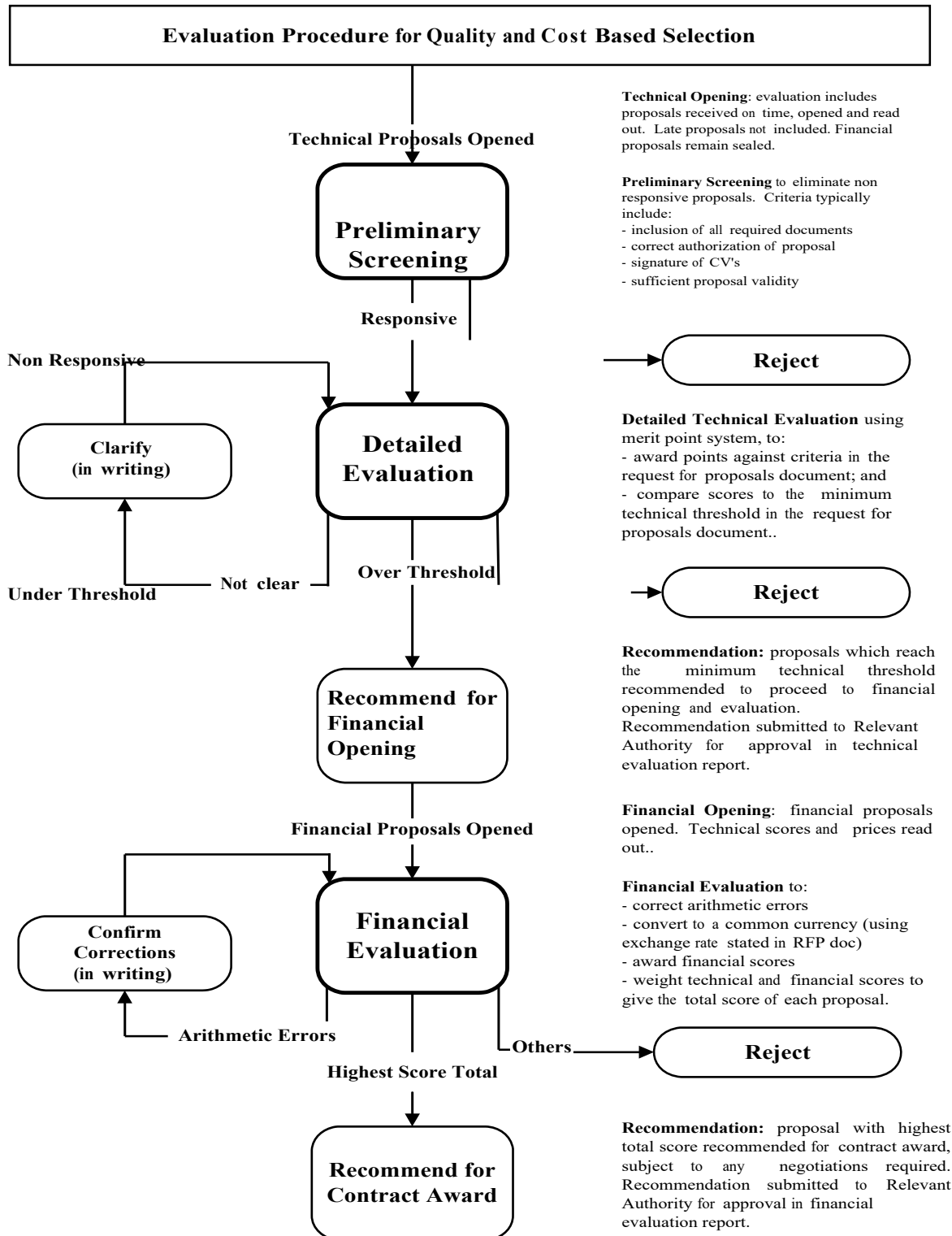
The purpose of the QCBS evaluation methodology is to determine the proposal which offers the best overall value to the procuring agency, taking into account both the quality and the price of proposals.

The process follows the same steps from the floating of an EOI notice to the issue of the RFP to the technical review of proposals. However, during and after technical evaluation, the evaluation process becomes different than the one used under the QBS method.

Process

- The short-listed consultants submit their technical and financial proposals at the appointed time;
- The PU shall open technical proposals and conduct preliminary screening to ensure that all general requirements are met.
- The PU shall orientate the Procurement Committee (PC) about the terms of reference, the criteria and the maximum number of points for each of the criterion specified in the RFP and how the proposals should be scored consistently. The officials who were involved in the preparation of TORs, criteria, specification etc. may be called upon to facilitate the orientation process.
- The PC shall conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference. Each member of the PC shall score every technical proposal. This will follow the PC collectively reviewing individual scoring for every proposal and assigning an aggregate score to each proposal. The process shall enable the PC to identify technical proposals that get minimum technical score (pass score) against established criteria.
- The PU, based on the scoring and explanation provided by the PC, shall prepare technical evaluation report (TER) on the format attached as annex-1 to this chapter. Every member of the PC shall sign off the report.

- The PU shall submit the TER to the CEO for approval. The CEO may discuss the TER with the chair of the PC or the head of the PU before approving the TER.
- The PU shall notify bidders whose proposals are being rejected. The PU shall return unopened financial proposals with the notification, together with any Bid Securities, to the unsuccessful bidders.
- The PU shall notify bidders whose proposals get the minimum passing score in the technical evaluation the date, time and location for the opening of their financial proposals;
- The PC shall conduct financial evaluation to determine the evaluated price of each proposal.
- The PC shall award financial scores to each proposal, based on their evaluated price.
- The PC shall aggregate technical and financial scores, using the weights stated in the RFP to obtain the total score for each proposal.
- The PC shall rank the proposals according to their total scores and identify the proposal with the highest total score, which will be the successful proposal.
- The PU shall prepare an overall evaluation report (covering both technical and financial evaluation) based on the work of the PC and submit it to the CEO for approval.



c. least cost

This system will only be used for assignments of standard or routine nature, where well established practices and standards exist;

Explanatory Note:

The least cost methodology applies to evaluations for consultancy services only. It consists of three stages:

- a preliminary screening, to eliminate proposals which do not comply with the basic requirements of the RFP document and bidders who do not meet mandatory eligibility requirements;
- a detailed technical evaluation to assess the quality of proposals, using a merit point system and to eliminate proposals which do not meet the specified minimum score; and
- a financial evaluation to compare the costs of proposals which reached the minimum score, to award financial scores and to weight the technical and financial scores to give a total score for each proposal.

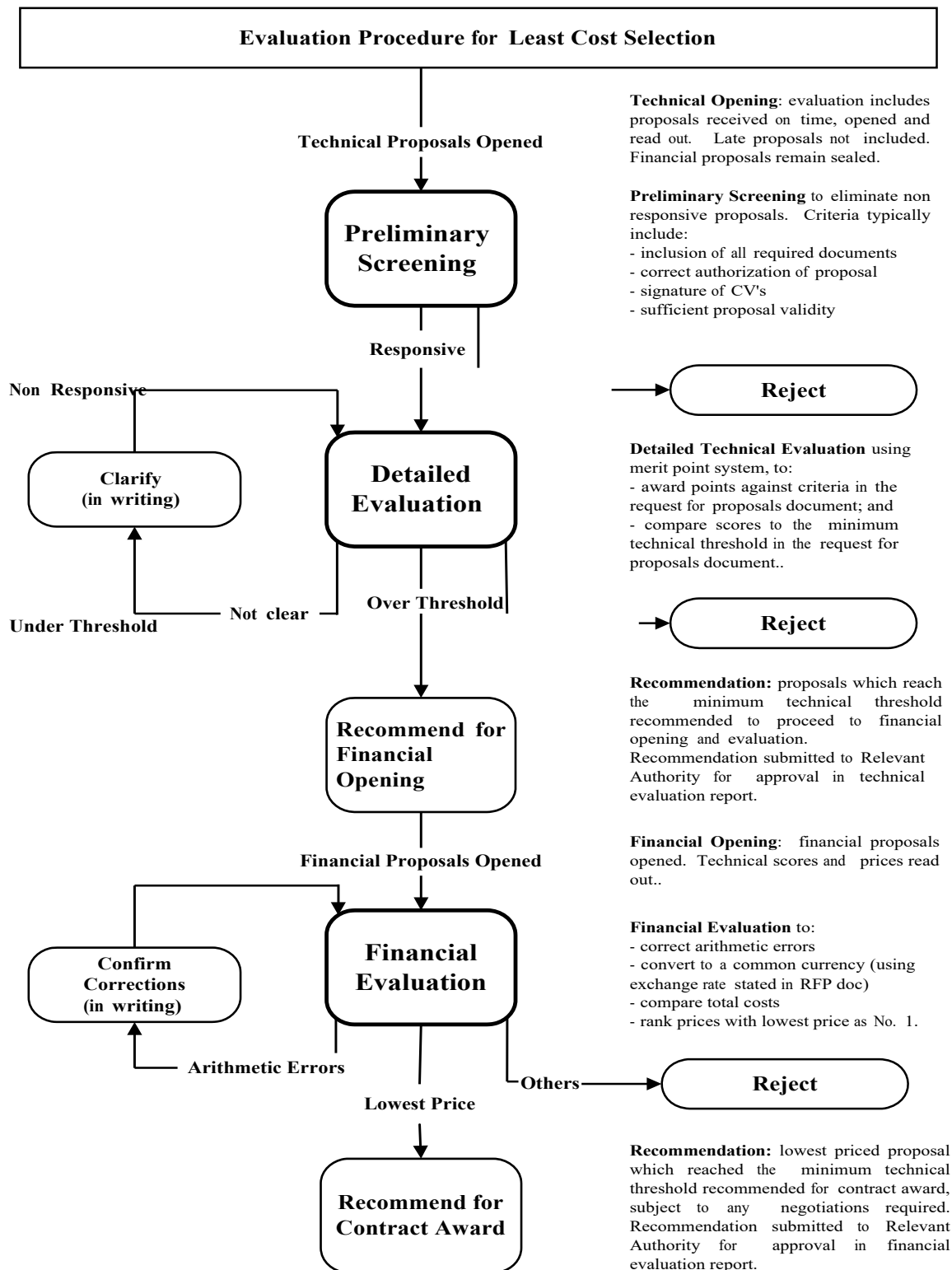
The purpose of the LCS evaluation methodology is to determine the lowest priced proposal, which meets the minimum quality standard set by the procuring agency in the RFP document. This ensures that the procuring agency purchases consultancy services of the required standard, but does not pay any more than necessary for those services.

The process follows the same steps from the floating of an EOI notice to the issue of the RFP to the technical review of proposals. However, during and after technical evaluation, the evaluation process becomes different than the one used under the QBS method.

Process

- The short-listed consultants submit their technical and financial proposals at the appointed time;
- The PU shall open technical proposals and conduct preliminary screening to ensure that all general requirements are met. The proposals that fail this screening shall be rejected.
- The PU shall orientate the Procurement Committee (PC) about the terms of reference, the criteria and the maximum number of points for each of the criterion specified in the RFP and how the proposals should be scored consistently. The officials who were involved in the preparation of TORs, criteria, specification etc. may be called upon to facilitate the orientation process.
- The PC shall conduct a detailed technical evaluation of each proposal to see if the proposal meets the minimum requirement set out in the RFP. The proposals that do not meet the minimum score criteria shall be rejected. Every member of the PC shall sign off the report.
- The PU shall submit the BER to the CEO for approval. The CEO may discuss the BER with the chair of the PC or the head of the PU before approving the BER.

- The PU shall notify bidders whose proposals are being rejected. The PU shall return unopened financial proposals with the notification, together with any Bid Securities, to the unsuccessful bidders.
- The PU shall notify bidders who score minimum required points in technical evaluation the date, time and location for the opening of their financial proposals;
- The PC shall conduct financial evaluation to determine the evaluated price of each proposal.
- The PC shall identify the bidder that asks for the lowest evaluated price for the work.
- The PU shall prepare an overall evaluation report (covering both technical and financial evaluation) and seek approval of the CEO for the evaluation and award of contract to the bidder asking for the least cost to do the work.
- The CEO approves the evaluation report and recommendation for award of contract.
- The PU negotiates with the selected bidder.
- PEDO and the selected bidder sign the contract agreement.



1.1.1 Single source or direct selection

Subject to approval by head of the procuring entity, a procuring entity may engage in single-source procurement-

- (i) the goods, construction or services are available only from a particular contractor or supplier, or a particular contractor or supplier has exclusive rights in respect of the goods, construction or services, and no reasonable alternative or substitutes exists; or
- (ii) the procuring entity having procured goods, equipment, technology or services from a contractor or supplier, determines that additional supplies must be procured from that supplier or contractor for reasons of standardization or because of the need for compatibility with existing goods, equipment, technology or services, taking into account the effectiveness of original procurement in meeting the needs of the procuring entity, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price and the unsuitability of alternative to the goods or services in question; or
- (iii) in cases of emergency;
- (iv) for very small assignments valuing up to Rs. 500,000/-; and
- (v) where only one consultant is qualified or has experience of exceptional worth; and

Explanatory Note:

Single-source selection of consultants does not provide the benefits of competition in regard to quality and cost, lacks transparency in selection, and could encourage unacceptable practices¹⁵. This is the reason that PEDO can use this method for consultant selection only in exception circumstances outlined in the rule. These exceptions are provided in good practices of public procurement. However, professional due care needs to be exercised while opting for the use of this method to ensure economy and efficiency.

An example will help in clarifying as to when this rule should be used. Suppose PEDO selected micro hydel plant solution for KPK from through a competitive process from an international manufacturer. The manufacturer has exclusive right over the design of this plan and no other bidder can provide this solution. The plants have been in operations for 5 years and now without warranty cover. In the meanwhile, the international manufacturer has upgraded the design and offers services to its clients who would like to upgrade their plant. PEDO feels that upgrading will enhance power generation capacity of these plants. Since the international manufacture has exclusive rights over the design of the plants and related services, PEDO can consider using single source selection method for engaging the services of this manufacture and service provider.

PEDO may want have identified additional sites where the plants it procured from the international manufacturer can be installed. Rather than getting into another competition, PEDO can consider engaging the same manufacturer to supply and install additional plants and provide related services.

¹⁵ <http://siteresources.worldbank.org/INTPROCUREMENT/Resources/ConGuid-05-02-ev4.pdf>

For small assignments especially if the services of individual consultants are required, it is preferable to go single source selection.

The case for emergencies has already been explained in previous chapter under the same heading.

Process

- The PD/PM shall submit the proposal for single source selection to the PU.
- The PU shall examine the proposal to ascertain if the method proposed can be applied in the situation described in the PD/PM's proposal.
- The PU can consider placing the proposal along with his comments for consideration of the PC, if it deems appropriate.
- The PU shall submit the proposal along with its recommendation to the CEO for approval.
- Once the CEO approves the proposal, the PU shall invite the potential consultant to submit proposal based on the RFP prepared for the purpose.
- The PC shall conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference.
- The PU shall submit the BER to the CEO for approval. The CEO may discuss the TER with the chair of the PC or the head of the PU before approving the TER.
- The PC shall conduct financial evaluation of the proposal for viability.
- The PU shall prepare an overall evaluation report (covering both technical and financial evaluation) based on the work of the PC and submit it to the CEO for approval.
- The CEO may ask for further clarification from the PU or the PC if needed while considering the proposal for approval.
- Upon approval, the PU shall initiate final negotiations with the consultant.
- Contract shall be signed after negotiation.

All documents from the initiation of the proposal to the signing of contract agreement shall be maintained by the PU in a permanent file to comply with the requirement of the KPPRA Act 2012, the KPPRA Rules 2014, the RTI Act 2013, and the external audit.

1.1.1 fixed budget

This system 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.

Explanatory Note:

This method shall be used only when all of the following conditions exist:

1. Assignment is simple;
2. Can be precisely defined;
3. Budget is fixed;

All steps indicated for single source selection shall be followed. The difference is that the RFP shall indicate the available budget and the proposals that exceed the indicated budget shall stand rejected. The PU shall ensure documentation of every step to comply with the laws.

CRITERIA FOR ELIGIBILITY OF CONSULTANTS

The procuring entity 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 entity to provide goods or works for a project, it shall be disqualified from providing consulting services for the same project. Similarly, consultant should not be hired for any assignment which by its nature, may be in conflict with another assignment of the consultant.

Explanatory Note

This rule requires that the criteria for eligibility of consultants should factor in the Conflict of Interest (CoI) situations and mitigate the related risk. The term "conflict of interest" is widely used in commercial and legal transactions, and is acknowledged in the codes of ethics of professional bodies, including engineering associations, to identify behavior that may be unacceptable¹⁶. Some examples of situations in which CoI may arise include:

- conflict between consulting activities and the procurement of goods or works;
- certain conflicts within consulting assignments, for example the preparation of terms of reference and participation in the resulting tenders;
- the execution of a project or study execution and the evaluation of the same project or study;
- the design of a project and the study of its impact on the environment;
- advice given to both government and buyer in, for example, privatization;
- a conflict arising from family or other personal relationships

Chapter 3 of this manual explains the CoI issues and how to manage them in public procurement along with other principles of public procurement. The bidder (including all members of a joint venture and subcontractors) may be disqualified if it can be established that the bidder is in CoI situation as per the above guidance.

EXPRESSION OF INTEREST (EOI)

(1) A request for expression of interest shall be advertised, giving to the applicants at least two weeks for national competition and four weeks for international competition to submit their interest to provide consultancy services.

¹⁶ For detail treatment of this subject matter, please review the webpage of FIDIC at <http://fidic.org/node/752>

Explanatory Note:

The purpose of issuing an EOI notice is to invite consultants to show that they are interested in, and capable of providing required consultancy services. The EOI notice needs to include following information:

- PEDO name and address should be clearly mentioned with appropriate font size;
- A brief description of the assignment, providing scope of intellectual and professional services required;
- Instructions on the location and deadline for submission of EOI;
- Special instructions on sealing and labeling of response on RFP;
- Brief description of the evaluation criteria for short listing or pre-qualification.

CRITERIA FOR SHORT-LISTING OF CONSULTANTS

(1) Whenever short-listing is deemed necessary, the procuring entity shall pre-determine criteria for short-listing. Except for single source, there will normally be a minimum of three consultants in the short-list, 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 entity while short-listing consultants may take the following factors into consideration, namely:

- (a) qualification;
- (b) general experience; or
- (c) specific experience, particularly of the last five years; or
- (d) any other factor that a procuring entity may deem relevant, not inconsistent with these rules.

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

Explanatory Note

The purpose of short-listing is to identify the potential consultants that can be engaged to deliver required services. The short-listing process makes it easy for procuring agencies to deal with less number of applicants rather than with a large pool of interested consultants. The process shall deliver results when (a) procuring agencies define criteria clearly considering their specific needs; and (b) the evaluators apply the criteria in short-listing process effectively. This is the reason the rule highlights the importance of the short-listing process in this context. At EOI stage, shortlisting criteria should consider following two factors¹⁷:

¹⁷ The PEC standard bid documents for pre-qualification of consultants provide this broad direction for establishing criteria for consultant. The guidance also suggests that the ratio of technical to financial proposal should be 70 to 30. For detail, please visit the website of PEC at http://www.pec.org.pk/pec_bid_docs.aspx

Qualification: The strength of permanent staff with academic qualification and professional affiliation. A consulting firm that depends on permanent staff to deliver consultancy services is better placed to deliver services than the one that engages experts from the market for delivering the same services.

Experience: The experience of a consultant in delivering consultancy services for projects of similar size and complexity is an important indicator of whether the consultant be able to deliver required services. A consultant that has been involved—for more than recent five years in providing services similar/identical to the one required now through the EOI notice is more likely to successful than the one having no or limited experience in that providing that type of services. For example, if PEDO requires services of consultant for its micro hydel projects, a consultant that has provided consultancy for such plants in recent five years is more likely to deliver similar services to PEDO than the one who has only been involved in solarisation projects during this period.

Appropriate weight should be assigned to each of the criterion even before the floating of the EOI notice/issuance of RFP document as the case may be.

Process

- The EOI notice shall be published on the websites of PEDO, KPPRA and newspapers;
- Interested consultants shall submit their EOI documents to the PU at the appointed day and time;
- The PU shall acknowledge the receipt of the EOI documents
- The PU shall orientate the Procurement Committee (PC) about the criteria to be used in short-listing.
- The PC shall evaluate each EOI case against established criteria. The PC members shall cross-check their individual assessment to ensure a consistent application of the relevant criteria in the process.
- EOIs of the consultants that do not satisfy the criteria shall be rejected and a short-list shall be prepared of the other consultants who meet the criteria.
- The PU shall submit to the CEO the short-list of the consultants, the record of the PC's proceeding, and Request for Proposal (RFP) document for issue to the short-listed consultants for approval.
- The CEO shall approve the short-list as well as the RFP;
- The PU shall issue the RFP to short-list of consultants

REQUEST FOR PROPOSALS (RFP)

(1) The procurement entity shall make available to all the short-listed consultants, together with the request for proposals, all information on the equal opportunity basis.

(2) The procuring entity shall use a request for proposal for seeking proposals from the Consultants which shall include the following, namely:

a. Letter of invitation (LOI)

The letter of invitation shall mention the name and address of the procuring entity and shall state the intention of the procuring entity to enter into a contract for provision of consulting services;

Explanatory Note:

The RFP is a tool to invite proposals from eligible consultants for a consulting assignment. The use of standardized tool helps consultants in respond to the requirements consistently. This enables PEDO to compare and rank proposals and identify the best service provider. The RFP can be used with different selection methods described in this manual. PEDO needs to articulate its requirements clearly in the RFP to be able to get comparable responses from consultants.

The LOI Section of the RFP is a template of a letter from PEDO addressed to a shortlisted consultants inviting them to submit a proposal for a consulting assignment. The LOI includes a list of all shortlisted consultants to whom similar letters of invitation are sent, and a reference to the selection method and applicable guidelines or policies of the PEDO that will govern the selection and award process.

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;

Explanatory Note:

This section of the RFP has two parts: “Instructions to Consultants” and “Data Sheet”. “Instructions to Consultants” contains general provisions that have to be used in the bidding process without modification. “Data Sheet” contains information specific to each selection and corresponds to the clauses in “Instruction to Consultants” that call for selection-specific information to be added. This Section provides information to consultants to prepare their proposals. Information is also provided on the submission, opening and evaluation of proposals, contract negotiation and award of contract.

c. Terms of reference (TOR)

The 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. It shall also include the evaluation criteria;

Explanatory Note:

This section of the RFP describes details of objectives and intended scope of services at the time of invitation of proposals. The TORs are to be read with the conditions mentioned in the Form of Contract. The text of this section shall not over-write the provisions of the ITB section.

TOR background information may include:

- Overall description of project,
- Overall objectives of the consulting assignment,
- Scope of work and tasks to be undertaken,

- Sector or field information,
- Required expertise and estimated inputs, relevant or related work previously undertaken;
- Scheduling and reporting requirements,
- Name of Purchasing Authority and implementation arrangements;

d. evaluation criteria

Except as otherwise provided, the evaluation of proposals shall be carried out giving due consideration to quality and cost;

Explanatory Note:

The PEC standard bid documents for pre-qualification/short-listing requires that the ration of technical to financial score in bidding for consultancy services should be 70% to 30%. The break-up of this has already been explained previously in chapter 5 and elsewhere in this manual.

e. Type of contract

The procuring entity, 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, based on combination of the above and including out of pocket expenses, where required;

Explanatory Note:

The bidding documents shall clearly state the type of contract that shall be used for contracting. The choice will be influenced by (i) the nature of the assignment, (ii) whether the scope and output are definable, and (iii) the distribution of risks between the concerned parties. For the most part, PEDO predominantly uses two types of contracts.

Lump sum contract: Examples where this type of contract will be appropriate include simple planning and feasibility studies, environmental studies, detailed design of standard or common structures, service delivery assignments, and preparation of data processing systems. Prices shall include all costs and cannot be negotiated. Payments are linked to outputs, such as reports, drawings, bill of quantities, bidding documents, and software programs.

Time-based contract: Sometimes, activities of Consultant “A” depend on the completion of the activities by Consultant “B”. In this situation, it shall be difficult for procuring agency to work out the scope of work or services to be carried out by Consultant A. In some cases, a procuring agency may have difficulty working out the scope of work of a consultant for the complexity of the assignment. Accordingly, this type of contract is used for complex studies, supervision of construction, advisory services, and most training assignments. Payments are linked to inputs and are usually based on monthly rates for personnel named in the contract, and on reimbursable expenses using actual expenses and/or an agreed unit rate.

SELECTION PROCESS OF INDIVIDUAL CONSULTANTS

- (1) Individual consultants may not be required to submit proposals, and shall be selected based on their qualifications for the assignment.
- (2) Individual consultants shall be selected by comparing the qualifications of at least three consultants among those who have expressed interest in the assignment or have been approached directly by the procuring agency. Individual consultants considered for the comparison of qualifications shall meet the minimum relevant qualifications, and the one selected to be employed by the procuring agency shall be the best qualified and shall be fully capable of carrying out the assignment.
- (3) An individual consultant may be selected on a single-source basis (with due justification) in exceptional cases; such as the following--
 - (a) for a task that is a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively;
 - (b) in an emergency situation resulting from a natural disaster; and
 - (c) when the individual is the only consultant qualified for the assignment.
- (4) For key assignments, interviews may be set up, and invited candidates should be paid travel and subsistence, as needed. Capability of the candidates should be evaluated.

Explanatory Note

For some assignments, it is more cost effective to use individual consultants rather than firms. This method shall be adopted only if all or any of the following conditions exist:

- The scope of work is such that teams of personnel are not required;
- No additional professional support is required;
- The experience and qualifications of the individual are the paramount requirement.

Process

- PD/PM or other constituent unit requiring the services of an individual consultant shall request the PU for initiating the process. The TORs for the recruitment of an individual consultant should be submitted along with such request.
- The PU shall review the TORs and, if needed, discuss the case with the originator of the request.
- The PU shall obtain the approval of the CEO.

- The PU shall put the requirement on PEDO's website as well as on the website of the KPPRA 2014. In cases where a consultant is needed for more than six (6) months, PU shall also advertise the requirement. The PU shall clearly indicate the criteria for selection in the public notice for recruitment.
- A sub-committee of the PC, shall review the CVs and select the candidate that best meet the requirement.
- In cases where deemed necessary, the PC can interview candidates for identifying the best candidate;
- The PU shall submit the three (3) best CV as recommended by the sub-committee of the PC along with the recommendation of the best candidate for the approval of the CEO;
- The CEO will review and approve the selection;
- The PU shall engage with the selected consultant for finalizing contract.
- The decision shall be placed on PEDO's website as well as on the website of the KPPRA---in cases where the notice for engagement was also placed on the KPPRA website.

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 entity may demand insurance on part of the consultant to cover its liability as stated above, and necessary costs shall be borne by the consultant which shall be reimbursed by the procuring entity as out of pocket expenses by the consultant.

(3) The consultant shall be held liable for all losses or damages and short comings in deliverance etc., suffered by the procuring entity as a result of mis-conduct or inadequate services in performing the consulting services.

Explanatory Note:

- 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.
- Purchasing Authority may demand insurance on part of the consultant to cover its liability as stated above and necessary costs shall be borne by the consultant.
- Consultant shall be held liable for all losses or damages suffered by the PEDO on account of any misconduct by the consultant in performing the consulting services.

8. MISCELLANEOUS PROVISIONS

This chapter takes care of the concepts/provisions covered in Chapter 5 of the KPPRA Rules 2014. Key rules/provisions of the KPPRA Rules 2014 have been given in the boxes whereas explanation provided in subsequent paragraphs.

PROCUREMENT PLANNING

Each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act.

Explanatory Note:

Given the importance of procurement planning, a separate chapter has been included in this manual to cover this subject matter.

Limitation on splitting or regrouping of proposed procurement

A procuring entity shall announce in an appropriate manner, all proposed annual procurements and shall proceed accordingly without any splitting or regrouping of the procurements so planned.

Explanatory Note:

The rules require logical clustering of requirements for goods, works and non-consulting services and consulting services. PEDO shall prepare an APP following this broad principle that has also been explained in chapter xxx of this manual.

Procurement committees

(1) Each procuring entity shall constitute committees, in accordance with delegation of financial powers, separately for procurement of goods, works and services.

(2) The committees shall have a representative each from the accounts or finance or planning sections of the procuring entity apart from others.

(3) A technical member shall be inducted from the relevant line department of Government or hired in all procurements of works or in exceptional cases, provided that procurement is technical and complex in nature.

Explanatory Note:

PEDO has already established a Procurement Committee (PC) to review bids and recommend best bids for approval to the CEO. The composition of the PC meets the requirements envisaged in this rule. The composition of the PC permits the co-option of technical members to handle diverse types of bids i.e. goods, works and non-consultancy services, and consultancy services.

The PU shall be the secretariat of the PC since it is the custodian of all documentation resulting from the deliberation of the PC. Key tasks to be performed by the PC include:

- Review technical and financial bids
- Prepare evaluation reports

- Recommend bids for award of contracts
- Document every significant step in the procurement process
- Defend its decisions/recommendations at any forum—CEO, KPPRA, or any court of law
- Suggest steps to improve the quality of bid documents and evaluation processes

BID SOLICITATION DOCUMENTS

(1) A procuring entity shall apply bid solicitation documents as are applicable and are found consistent with the provisions of the Act and rule 34 of these rules, till such time when standard bidding documents are developed and prescribed in accordance with provisions of the Act and the rules.

(2) In case of procurement of works, solicitation documents shall contain technical specifications, drawings and designs, bill of quantities and estimated costs whatever applicable, evaluation criteria, expected commencement of contract and time period for completion, bid validity, securities demanded, payment schedule, general and special conditions of contract, in case of procurement of works.

(3) In case of procurement of goods and services, including consulting services, the standard bidding document shall include scope of work and terms of reference, the evaluation criteria, the extent of bid validity, quantity, quality and specifications; qualification and experience of consultants, securities, approach and methodology, work plan and delivery schedule, pre-shipment inspection where applicable, schedule of payments and general and special conditions of the contract.

(4) Apart from the above, any other document or information or detail that the procuring entity may deem necessary, shall be included in the solicitation documents, unambiguously.

(5) Solicitation documents shall be made available to the bidders from the date of their issuance to the closing date on submission of required fee by the prospective bidder whether in person or, if so requested through an authorized request in writing. In case the request is made through courier, it shall accompany a bank draft in favor of the procuring entity including the cost of return delivery.

(6) In case where the procuring entity deem necessary may, keep a time period ending earlier than the closing date of tender or bid, for obtaining bid solicitation documents, provided that it is not less than the minimum response time provided in rule 34.

(7) In case of modification of solicitation documents by the procuring entity in accordance with section 23(9) of the Act, it shall do so by issuing an addendum or corrigendum and intimate the bidders publicly or individually, in case it has issued the solicitation documents, 5 days before the closing date. In case, the changes are substantial, the time for submission may be extended proportionately, by issuing timely intimation to all bidders.

Explanatory Note:

Solicitation documents or bidding documents are a critical component of any public procurement system. These documents should meet following qualification before being used in any bidding process:

- **Clarity:** Bidding documents should clearly explain what PEDO needs in terms of specification of goods, works, or consultancy services. Specification of goods, works, or TORs should be clearly worded to ensure that a bidder of average competency would interpret the requirements identically. Similarly, draft provisions of contract to be used in contracting should be clearly stated.
- **Consistency:** Bidding documents should take account of the laws and regulations that need to be complied with. Any inconsistency can create legal complications in public procurement. For example, PEDO must use the standard bid document (SBD) prescribed by Pakistan Engineering Council (PEC) for procurement of works and consulting services.
- **Comprehensiveness:** Bidding document should provide all required information to bidders to enable to prepare a responsive bid. If some information is properly explained, it can create difficulties for bidders. Further, different bidders will see the missing information differently and that can increase the risk of bidders submitting non-compliant bids in response to a public solicitation.
- **Completeness:** Bidding document should provide complete information. It is possible that bidding documents provide comprehensive information on every aspect of the requirements included in the bidding documents. However, if any significant aspect is not covered in the bidding document, it can create the same situation stated in previous paragraph.
- **Neutrality/Unbiasedness:** Technical requirements---especially for goods should be so worked out that they are vendor-neutral. Other criteria should also be established to ensure that they are neutral/unbiased from any influence.

While preparing bid documents and soliciting bids, the above-mentioned principles should be considered.

RESPONSE TIME

(1) The procuring entity 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 contract's complexity, 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 in the national newspaper.

Explanation Note:

Bidders need to be given sufficient time to understand PEDO's requirement given in a public solicitation and prepare responsive bids. In cases where PEDO gets queries for clarification from bidders immediately after a notice for public procurement is out, it should consider whether the information provided through bid documents has any deficiency and whether the response time needs to be increased considering the difficulties faced by the bidders.

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. 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.

BID VALIDITY

Bidders shall be required to submit bids valid for a period specified in the bid documents which shall be sufficient to enable a procuring entity to complete the evaluation and comparison of bids and obtain all necessary approval so that a contract can be awarded within that period.

Explanatory Note:

A procuring entity shall complete evaluation of bids and award of contract within the initial period of bid validity. An extension of bid validity, if justified by exceptional circumstances, shall be required in writing from all bidders before the expiry date. Bidders consenting to extend their bid validity period shall also correspondingly extend the validity of their bid security. PEDO should be alert to the flexibility the rules provide to bidders in cases where they want to withdraw bids before their evaluation. In such cases, PEDO must return the bid security. Thus, if PEDO does not promptly initiate evaluation process, the risk of a response bid being withdrawn can be significant.

The duration of the validity of each bid should be specified in the bidding document and shall not be more than 90 days in case of National Competitive Bidding (NCB) and 120 days in case of International Competitive Bidding (ICB)

All cases of bids validation extension shall be approved by the CEO. In cases where it can be established that an official of PEDO is responsible for the need for bid extension, disciplinary action shall be taken against such official. This will ensure that bid evaluation process gets the priority it deserves. All bidders shall be requested to extend their bids validity before the expiry of the original bid validity period.

The bid security shall be forfeited if a bidder withdraws his bid, within the validity period thereof or, in the case of a successful bidder, who repudiates the contract or fails to furnish performance security. In cases where PEDO is unable to complete bids evaluation during the extended period of bids validity, the CEO may consider cancelling the procurement process.

Pre-qualification process

Explanatory Note

This subject has already been covered in the previous chapter of this manual.

SUBMISSION OF BIDS AND BID OPENING

- (1) Bids shall be invited through a procuring officer of the procurement entity.
- (2) A procuring entity shall require bidders to submit sealed written bids or in such other manner as may be prescribed in the solicitation documents.
- (3) The procuring entity shall issue the bidder with a receipt showing the date and time when the bid was received.
- (4) No bids or tenders received after the prescribed time and date in the solicitation documents or in accordance with subsequent corrigendum, shall be entertained.

- (5) The method for submission of bids shall be determined by the type, complexity and evaluation method of the procurement in accordance with these rules.
- (6) All announcements pertaining to public procurement shall specify the last date for submission of bids as well as the public bid opening which shall be the same.
- (7) The bids, technical or financial as the case may be, shall be opened at the prescribed time provided in the solicitation documents in the presence of the procurement committee and the bidders who choose to be present.
- (8) The name of the bidder, bid modifications, discounts or withdrawals, presence of bid security or affidavit as the case may be and the total amount of each bid and any alternatives, if so permitted, shall be read out aloud and recorded, and a copy of the record shall be made available to any bidder on request.
- (9) No bidder shall be allowed to withdraw his bid till award of the contract or till bid is valid, whichever is earlier.
- (10) A procuring entity may ask bidder for clarification of the bid to assist in the evaluation. To avoid delays, the procuring entity may hold a pre-bid conference with the prospective bidders at least five working days before the last day for submission of bids if the procurement is of complex nature and high value.

Explanatory Note:

The process of bids submission and bids opening has significant bearing on the principles of fairness, transparency, accountability emphasized in the KPPRA Act 2009 and the KPPRA Rules 2014. That is the reason this rule treats these two areas of bidding process so comprehensively. Following are some steps to protect the integrity of the procurement process as required in the rules:

Process

- PEDO shall put sealed boxes to enable bidders to put their bids in the boxes till the date and time provided in the bid document;
- Bids should open at the time and on the date provided in the bid documents.
- The PU shall set up the venue and ensure that all participants sign off the attendance sheet of the event
- The chair handling the event shall briefly explain the procedure, which will be followed, which is normally opening of the sealed tender box, counting of all tenders, opening of tenders, reading out and recording of information, opportunity for bidders to ask questions, closing of meeting and removal of tenders for safekeeping and evaluation.
- The seal of the tender box should be shown to those present at the bid opening meeting and then broken.
- The chair or the representative the chair nominates shall publically announce the relevant details which shall also be properly recorded. Following information shall be read out:
 - the name and address of each bidder;
 - the total price of each tender, stating the currency and amount;

- each unit price quoted (in addition to the total price or lot prices to be read out) stating the currency and amount;
 - the presence or absence of a Bid Security, and the form and amount of the Bid Security, where one was requested in the bidding document;
 - any other details stated in the bidding document;
- Everyone representing PEDO in the bids opening meeting shall sign off the key pages (the tender submission form, any pages with financial information such as price schedules, etc.). The officials representing PEDO shall not make any comments regarding the acceptance or rejection of any tender. Any missing or incorrect documents should be noted in the record of bid opening but not commented on.
 - When all tenders received on time have been opened, read out and recorded, the chairperson should allow bidders to ask questions.
 - The chair shall close the bid opening meeting, reminding bidders that they must not seek to influence the evaluation process and intimate the result of the evaluation shall be announce in line with KPPRA Rules publically.
 - All bids shall be immediately taken to a place of safe keeping, until the evaluation process is ready to start. Any tender securities must also be kept securely.
 - Where tender openings for more than one tendering process are conducted at the same time, they must be conducted consecutively, with one opening completed, recorded and tenders removed, before the next opening commences.

CONFIDENTIALITY

The procuring entity 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 45 of these rules.

Explanatory Note:

Information given should normally be restricted to that which is included in the Tender Documents or the RFP document and, in the case of a financial opening, the technical scores which have been read out. Staff should seek to refer bidders back to the Tender Documents or the RFP document, rather than risk giving contradictory responses. Staff managing a public bid opening must take care not to answer questions regarding the acceptance or rejection of proposals, or to discuss the specific details of any proposal, score or price. A standard response of “that will be decided by the evaluation committee” may be given to such questions.

The names of staff who will be evaluating the tenders must not be revealed under any circumstances, even if the information is requested by bidders. This confidentiality regarding the names of evaluators should reduce opportunities for bidders to seek to influence the evaluation.

Confidentiality is one of the most important principles of public procurement which has also been covered in chapter 3 of this manual.

DISCRIMINATORY AND DIFFICULT CONDITIONS

Save as otherwise provided, no procuring entity 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.

Explanatory Note:

The rule requires that PEDO shall make it easy for bidders to compete for public procurement packages. The rule requires that in establishing criteria and other requirements in contracting, PEDO shall be guided by the principle of fairness. PEDO should consult good international practices followed by traders, manufacturers, and construction engineers, and other service providers while establishing criteria and requirements for bidding in compatible domains. This will ensure that the standards applied are fair and known to the bidders working in the relevant industry. By following this broad principle, PEDO can increase competition in bidding while ensuring that the criteria are consistent with relevant industry standards.

In cases where a criterion given in the bid document is not clear and creating complication for bidders, PEDO should consult relevant industry standard and modify the criterion accordingly with the aim of making it simpler for bidders to follow. This should be done only after some bidders have pointed out the problem in the criterion and PEDO, in consultation with its technical experts, has determined the criterion needs to be rectified. In such situation, PEDO shall also consider extending the submission date of bids in addition to ensuring that all bidders--who have purchased bidding documents for participation in bidding, get this information as quickly as possible.

In cases where the problem of criteria comes up for resolution after the bid submission date is past, PEDO should assess if the faulty criteria have led to significantly less number of bidders participating in bidding process than would have been the case if the criteria were clear and correct. In case PEDO finds that the faulty criteria have dampened competition, it may consider cancelling the procurement process.

OPEN TENDERING WITH INTERNATIONAL COMPETITION

When, in the absence of domestic capacity, effective competition cannot be obtained unless special efforts are made to attract international competition, international competition may be solicited in accordance with the provisions of the Act and explanation (given below the box)

Explanatory Note:

First of all, it needs to be understood that the accord preferential treatment to national bidding in public procurement. Only PEDO feels that local market is too small to allow any meaningful competition under any procurement can it choose international competition. ICB shall be open to all interested parties, firms or individuals, whether national or international, but subject to eligibility of bidder. PEDO can use this method when 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. The rule also lays down a framework for (ICB) as described below:

- The tender documents shall be in English language;

- The invitation to tender shall be in English language and shall be placed in a newspaper of sufficient circulation to attract foreign competition and may also be placed on international web pages famous for international bidding advertisement. In addition, a procuring entity may transmit such invitations to their embassies and trade representatives of potential supplier countries;
- The time allowed for submission of tenders shall be sufficient for the invitation to reach bids, depending on the complexity and nature of procurement and for enabling them to prepare and submit bids but in no case less than thirty days;
- Technical specifications shall, to the extent compatible with national requirements, be based on international standards or standards widely used in international trade
- Bidders shall be permitted to express their bids, as well as any bid and performance security documents to be presented by them in their respective home currencies or in a currency widely used in international trade and stated in the solicitation documents;
- General and special conditions of contract shall be of a kind generally used in international trade; and
- Standard bidding documents (SBDs) for goods, works and services shall be used for international competitive bidding (ICB) as well.

POST BID NEGOTIATION

Procuring entity may negotiate with the highest ranked bidder regarding methodology, work plan, staffing and special conditions of the contract. In case of consulting services 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 bidder. In case of failure of negotiations, the procuring agency may invite the second ranked bidder as per the evaluation report

Explanatory Note:

This rule provides guidance on when negotiations/ discussions are permitted, what areas may be subject to negotiations/ discussions and the procedure for holding negotiations with a bidder. Only non-price negotiations are permitted under the rule to help procuring agencies get the best technical solution from the selected bidder.

The purpose of negotiation is to discuss and finalize certain details of a contract with the successful bidder, prior to contract placement. Negotiation/ discussions should lead to a contract which is acceptable to both parties and should therefore reduce the likelihood of disputes or the need for contract amendments.

Negotiation/ discussions are not held with the intention of making substantial changes to a contract or of obtaining price reductions from the lowest evaluated responsive bidder, with the exception of negotiations following an evaluation using the Quality Based Selection methodology, where there has been no competition on price.

Process:

- PU shall invite the selected bidder for negotiation(s) once the CEO has approved the award decision, and lead the process.

- Negotiation, as the minimum, must cover the remarks made by the PC in the BER of the procurement and other comments/suggestions made by the CEO while approving the award.
- In cases where the award decision is conditional on the selected bidder accepting certain conditions/requirements highlighted in the BER/CEO's comments, the letter addressed to the selected bidders shall clearly mention that the invitation to negotiation does not constitute acceptance of bid.
- The negotiators should begin by reviewing the bidding document, the tender from the successful bidder and the evaluation report.
- The PU shall, in consultation with PEDO's technical experts, establish clear parameters to guide negotiations. The PU shall engage a technically competent expert to be part of the team in negotiation to ensure that the interests of PEDO are well-protected.
- The points agreed shall be documented in the minutes of the meeting(s) held for negotiation. It shall be made clear during negotiations and the minutes resulting from the process that the points agreed will only become "contractually" binding only after the signing of the contract.
- Based on points agreed and other deliberations, the PU shall submit the minutes to the CEO for approval along with its recommendation.
- Once approved, the minutes shall become the part of the contract to be signed with the selected bidder.

DISQUALIFICATION OF SUPPLIERS, CONTRACTORS AND CONSULTANTS

The procuring entity shall disqualify a supplier or contractor or consultant 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. However, the bidder may have right to appeal against the decision in accordance with section 35 of the Act and grievances redressal mechanism framed under the Act.

Explanatory Note:

All procuring agencies are required to exercise due professional care in making public procurements. Criteria are established for prequalification and award of contracts are meant to provide level-playing field to all eligible bidders. The underlying purpose is to ensure fair competition and get value for money from public procurement. Some bidders may be tempted to fabricate evidence to show they comply with established criteria in a bid to win contracts. The rules provide that PC shall carry out detailed scrutiny of every bid. However, the risk that some bidders can submit false and materially inaccurate or incomplete information and that they can even win contracts as a result of this misstatement cannot be eliminated. The rule empowers procuring agencies to disqualify a supplier, contractor or consultant as soon as they find out that bidders have used false evidence or information to win a contract.

The decision shall be taken after following a due process.

Process:

- As soon as the PU gets to know that a bidder has made a misstatement in the bid, the PU shall write to the bidder concerned for an explanation. This shall be done irrespective of the fact that bidding is still on or contract has already been awarded to the bidder.
- The PU shall examine the response of bidder(s) to the letter and consult with PD/PM and other experts if necessary. The examination shall also include an assessment whether the false information/evidence was in the knowledge of any official involved in evaluation process.
- The PU shall prepare a case to the CEO explaining the situation and recommending the disqualification of the supplier, contractor, or consultant as the case may be. The PU can recommend, depending on the nature of falsification committed by a bidder, whether the bidder should be both disqualified and blacklisted.
- The CEO shall, after consultation with the PU/PD if deemed necessary, decide whether the supplier, contractor or consultant should be disqualified/blacklisted based on the evidence of falsification available in the record. The disqualification shall be for a specific period of time.
- Once the CEO has agreed on disqualification and/or blacklisting, the PU shall issue a letter indicating that the bidder has been disqualified/blacklisted from further participation in the bidding or from implementing the contract awarded base on false information.
- The disqualification shall be for a specific a period of time extending from one year to three year. The disqualified/blacklisted supplier, contractor or consultant shall become eligible to participate in public procurement opportunities advertised by PEDO upon the expiry of this period.
- The disqualified/blacklisted supplier, contractor, or consultant may file a complaint/grievance against the decision of PEDO with Secretary, Power and Energy Department or the KPPRA for redress.

BLACKLISTING OF SUPPLIERS, CONTRACTORS AND CONSULTANTS

The procuring entity shall specify a mechanism and manner to permanently or temporarily bar, from participating in their respective procurement proceedings, suppliers contractors and consultants who either consistently fail to provide satisfactory performances or are found to be indulging in corrupt or fraudulent practices or abandon the work prematurely resulting in loss to Government . Such barring action shall be duly publicized and communicated to the Authority, provided that any contractor or consultant who is to be blacklisted shall be accorded adequate opportunity of being heard in person.

(2)The bidder will have a right to complain to the administrative Secretary of the procuring entity or to file an appeal to the Authority in accordance with section 35 of the Act and regulations or guidelines to be framed under it.

Explanatory Note

All procuring agencies are required to exercise due professional care in making public procurements. Principles and operational framework have been laid down in the law and rules to

select the best bidder for supply of goods, works and non-consultancy services, and consultancy services. The law, rules, and operational frameworks, however, do not guarantee that the selected bidder shall provide goods, works, or services as per the expectation of procuring agencies.

This rule requires that a response mechanism should be established by all procuring agencies to handle situations in which suppliers of goods, contractors, and consultants fail to provide satisfactory performance or found involved in corrupt or fraudulent practices.

PEDO has established a procedure to oversee the performance of suppliers of goods, contractors, and consultants and to blacklist them in cases where they fail to respond to direction for mending their performance as required.

Process:

- All PD/PMs are required to assess the performance of suppliers of goods, contractors, and consultants working under their respective projects. Copies of these assessments shall be communicated to the PU as well.
- A PD/PM who is not happy with the performance of supplier of goods, contractor, or consultant shall in writing specify “gaps in performance” and “actions” that the supplier, contractor or consultant---as the case may be, should take.
- In case the performance of the supplier, contractor, or consultant does not improve in response to this written instruction, the PD/PM concern shall send a reminder indicating a timeline by which the performance improvements should be visible.
- If the PD/PM did not get satisfactory improvements in the performance of supplier, contractor or consultant, in response to the reminder, the PD/PM shall request the PU to blacklist the supplier, contractor or consultant as the case may be.
- The PU shall review the situation with PD and ask the supplier, contractor or consultant as to why not the PU blacklist it on account of failure to comply with the direction of PEDO. The PU shall give the supplier, contractor or consultant up seven (7) days to respond to this communication.
- In case the supplier, contractor or consultant does not respond, the PU shall prepare a case for blacklisting of such a supplier, contractor or consultant as the case may be. The case shall be supported by evidence i.e. proof of poor performance, direction given for improvements, etc.). The proposal for blacklisting shall also indicate the duration for which the supplier, contractor or consultant remain blacklisted. The case shall be submitted to the CEO for approval.
- In case the supplier, contractor, or consultant responds, the PU shall examine the response on merit. The PU may discuss the matter with the PD/PM concerned and see whether the PU should go ahead with the process of blacklisting or provide the supplier, contractor or consultant another opportunity to show performance improvement. The PU shall recommend one of these options for approval of the CEO.
- The CEO shall, after consultation with the PU/PD if deemed necessary, decide whether the supplier, contractor or consultant should be blacklisted.
- Once the CEO has agreed on the blacklisting, the PU shall blacklist the supplier, contractor or consultant promptly. A letter to that effect shall be sent to the supplier,

contractor, or consultant. Copy of this letter shall also be sent to the KPPRA for uploading on the authority's website.

- The blacklisted suppliers, contractors, and consultants shall become eligible for participating in public procurement opportunities advertised by PEDO only after the period of their blacklisting is over.
- The blacklisted suppliers, contractors, and consultants may file a complaint/grievance against the decision of PEDO with Secretary, Power and Energy Department or the KPPRA for redress.

Announcement of evaluation reports

Procuring entities shall announce the results of technical bid evaluation in the form of a report before opening of the financial bids, to all bidders. The procuring entity shall also announce the final results of a bid evaluation giving justification for acceptance or rejection of bids at least ten days prior to the award of a contract and place the same on its and Authority website.

Approval of contract award

(1) 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 2001, in an expeditious manner, so that the award can be notified before expiry of the bid validity period, without having to seek extension, in conformity with the provisions of section 31 of the Act and these rules.

(2) All contract awards shall be made public through publication on Authority

Explanatory Note:

The note covers both rules i.e. announcement of evaluation reports and approval of contract award which are applicable to all contracts of goods, works, and services. The rule is meant to increase transparency in public procurement. For each contract, the rule requires disclosure of results after technical evaluation stage and after both technical and financial evaluation. The disclosure shall cover following critical information:

- Name of the head of PU along with the number and email address of the contact person;
- The Procurement Reference Number;
- A brief statement of what the procurement concerns, e.g. "Tender for the purchase of anti-malarial spray chemicals";
- The date of the original advertisement on the KPPRA website;
- The KPPRA's Reference Number for the original posting;
- Basis for acceptance or rejection;
- Contract price should also be indicated;
- Should be signed by the authorized officer.

- The Text of the notice will state:
- The Number of Bids received and the names of the bidders;
- The Number of Bids declared non-responsive at the preliminary evaluation stage, and the reasons why those bids were non-responsive (did not meet mandatory legibility criteria, did not include Bid Security in the correct format, for the specified amount, or with the required validity, etc);
- The Number of Bids evaluated at the technical evaluation and the names of those bidders;
- The Number of bids declared technically responsive and which went on to the financial evaluation, and the names of those bidders;
- The names and ranking of the bidders in the financial evaluation, together with the prices quoted and the name of the selected lowest evaluated bidder
- The Notice will then state:

“Procurement Committee meeting(s) was/were held ondate(s). Using the bid evaluation criteria listed in the Invitation to Tender of(date), the Tender Committee has identified Messrs.....(name of winning bidder) to be the lowest evaluated responsive bidder. It is proposed that a contract should be awarded to the named bidder in ten days’ time.”

- This Evaluation Report will then be delivered to the bidders as well as the KPPRA for posting on the KPPRA website www.kppra.org.pk
- Evaluation Report must be published ten (10) days before a contract is awarded or a Notice of Acceptance is issued. This ensures that if any bidder is aggrieved by the decision of award, the bidder can submit a grievance with PEDO within 10 days after this disclosure. PEDO shall wait for the expiry of this ten (10) days period before awarding award.
- **In Cases of Emergency, this Rule would be dispensed with subject to prior arrangement and agreement with the KPPRA (See Direct Contracting for Emergency Requirements)**
- The publication of the Evaluation Report is not the same as the publication of the Contract Award Notice. It is presumed that the purpose of Rule 45 is to give aggrieved suppliers time to object to the award of a contract to the nominated winning bidder as published in the Evaluation Notice.
- Assuming there are no objections or complaints, the procuring agency may then proceed to send a Notice of Acceptance to, or form a contract with, the winning bidder after the expiry of the ten days’ notice period. Once that contract has been formed, or Notice of Acceptance sent, the Contract Award Notice can then be sent to the KPPRA for posting

REJECTION OF BIDS

(1) The procuring entity may reject all bids or proposals at any time prior to the acceptance of a bid or proposal. The procuring entity shall upon request communicate to any contractor or

consultant who submitted a bid or proposal, the grounds for rejection of all bids or proposals.

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

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

Explanatory Note

Rejection of all bids should be avoided, wherever possible, as it means a waste of time and resources for both the procuring agency and the bidders. However, where it is in public interest to do so, PEDO may cancel all bids at any stage prior to the award of a contract. The sensible reasons for all bids being rejected include lack of effective competition, unresponsive bids, or prices too higher than the estimates.

PEDO needs to follow following process to ensure that unavoidable rejection of bids be handled properly and in a manner which seems fair to all bidders.

- PU to review the circumstances justifying the rejection of all bids and document this information for external reviewer etc. In case the rejection of all bids is due to faulty criteria, the PU shall document this fact. Other reasons for rejection of bids could be inadequacy of funds, changes to the technical or contractual requirements, or a decision that the procurement is no longer required.
- PU shall seek the approval of CEO before notifying bidders that all bids have been rejected. In case the reason(s) are ones that could have been anticipated even before the notice for tendering was issued, responsibility should be fixed on official response for starting the procurement process.
- PU shall prepare a notice for bidders stating that all bids have been rejected. PEDO is not required to disclose the reason(s) of bids being rejected to the bidders. In case the bids have been rejected prior to the bids submission date, the notice should be issued to all those who have purchased the bid documents. The PU should indicate the time for bidders to collect unopened tenders and any bid security received.
- PU shall communicate reason(s) for rejection of all bids to the bidder who requests for this information as a follow-up on the letter PEDO has written to convey the rejection of all bids. The PU should work out a standardized response for this purpose before even sending the notice of rejection of bids to all bidders.
- PU should place the notice of rejecting all bids to the KPPRA website.

RE-BIDDING

(1) If the procuring entity has rejected all bids under rule 47 it may call for a rebidding.

(2) The procuring entity 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.

Explanatory Note

In cases where all bids were rejected because of significant errors in specifications, evaluation criteria, or any other conditions for bidders, rebidding is permitted.

However, as emphasized in the previously, the reasons for rejection of all bids should be ascertained and properly documented and, in case the bids have been rejected for fault of an official, appropriate action should be taken and this should also be documented.

Before restarting re-bidding, the errors in specification, evaluation criteria or any other conditions for bidders that may have led to the rejection of all bids shall be rectified.

PAYMENTS

All procuring agencies shall make prompt payments to contractors and consultants against their invoices or running bills within the time given in the conditions of the contract

Explanatory Note

Prompt payments are necessary to ensure that goods, works, and services are delivered per agreed schedule. Currently, PD/PM concerned review the claims of contractors with support from management consultants. Once the management consultant concerned verifies that the work has been done as per requirement, the PD/PM concerned refers the invoice along with supporting documents to the Finance Section for payment. The same system shall continue. However, the PU shall be kept in the loop after the introduction of this manual since the PU is responsible for maintenance of record for all public procurement.

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 15 days thereof; or (b) where the procuring entity requires signing of a written contract, from the date on which the signatures of both the procuring entity and the successful bidder are affixed to the written contract. Such affixing of signatures shall take place within 15 days after the letter of acceptance or award has been issued

CLOSING OF CONTRACT

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

(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 contractor or consultant to submit the final bill. Except for unsettled claims, the bill shall be paid within the time given in the conditions of contract, which shall not exceed sixty days to close the contract.

(3) Relevant provision for closing of contract shall be a part of the bid solicitation document.

Explanatory Note:

This rule provides a framework for proper closure of a contract. The contracts should not be kept open beyond prescribed completion schedule enabling timely audit besides curbing time and cost over runs. It is important that contracts are formally reviewed and the procurement file closed, once all contract activities and obligations have been completed. Proper closure of contracts helps in ensuring that the no outstanding items, claims or payments are overlooked. It also ensures that files are properly completed for external reviews/audit.

Process

- The responsibility for closure of contracts rests with the PD/PM concerned under this manual.
- PU shall become alert once a contract is within three months from the intended closure date as per contract. The dashboard maintained for all contracts as per the requirement of this manual shall create alerts in all such cases.
- PU shall get in touch with the PD/PM to review the outstanding issues---if any, and start close monitoring of actions that need to be completed before a contract can be treated as closed. All contractual obligations shall be identified and actions initiated for proper handling of these obligations.
- The PU shall track progress against these pending actions. Before treating a contract as closed under this rule, the PU shall ensure that:
 - all goods have been delivered, works completed and handed-over, services performed and contract deliverables received;
 - there are no outstanding claims for missing or damaged items against either the supplier or an insurance company;
 - all necessary payments have been made;
 - the total payment total is correct, taking into account any contract amendments, variations, price variations and the amortization of any advance payment;
 - all guarantees and securities have been returned;
 - all necessary documentation is in place and correct; and
 - the PD/PM has given remarks on the performance of the supplier, contractor or consultant as the case may be.
- After this review, the PU shall submit a note for the CEO for information that a contract has to be closed.
- After the CEO's has seen the case, the PU shall note on the dashboard that the contract is closed.

RECORD OF PROCUREMENT PROCEEDINGS

(1) All procuring entities shall maintain a record of their respective procurement proceedings along with all associated documentation; (2) Such maintenance of record shall be subject to the regulations framed in this regard from time to time

Explanatory Note

The KPPRA 2012 emphasizes the need for procuring agencies to follow the principles of transparency, fairness, value for money, accountability, and swift grievance redress in public procurement. Further, the rules require that all procuring agencies shall place BERs and contracts on their websites as well as on the website of the KPPRA. Procuring agencies need to be more particular about managing the record of public procurement proceeding.

All documents from the initiation of a proposal to the signing of the related contract agreement shall be maintained by the PU in a permanent file to ensure that PEDO comply with the requirements of the KPPRA Act 2012, the KPPRA Rules 2014, the RTI Act 2013, and the external audits by the Auditor-General of Pakistan.

PEDO shall follow the following procedure to comply with this rule:

- The PU shall be responsible to maintain record of all procurement proceedings other than those carried out through single quotation or three quotation methods by authorized officers as per the delegation of administrative/financial powers.
- The PU shall open a permanent file for all public procurements included in the Annual Procurement Plan (APP). All steps in the procurement cycle from the initiation of request from the PD/PM to the closure of a contract shall be fully documented.
- The PU shall include in permanent file, at the minimum, following information for every procurement:
 - Request for initiation received from the PD/PM or other authority;
 - Copy of tender notice along with the approval accorded by the CEO for its publication;
 - A complete set of bid documents used in the procurement process;
 - Record of bids opening which shall include the attendance sheet and duly signed bids
 - Record of approval obtained for the short-list from the CEO, if applicable;
 - Minutes/record related to pre-bid conference if held/applicable;
 - Record of clarification sought by the bidders and responses provided thereto;
 - Minutes of the PC's meeting reflecting the screening process to identify eligible bidders and discussion and agreement reached in such meetings. Evaluation sheets showing remarks/score assigned by the members of the PC on each proposal (EOI/RFR/Prequalification process) should also be retained. Further, in cases where PEDO asks bidders to revise/adjust technical proposals, the direction issued to the bidders along with the approval of the CEO to that effect should also be fully documented;
 - Bid Evaluation Report—showing that both technical and financial evaluations were carried out systematically and that the reports were placed on PEDO's and the KPPRA website as required under rules.
 - Record showing that the CEO approved the award;
 - Record of contract negotiations before the signing of the contract;

The PU shall retain the permanent file for five (5) years following the closure of a contract. Further, Further, the PU is responsible to document that it has followed due process in its operation. The documentary requirements, where critical, have been stipulated in different sub-sections of this manual for guidance.

PUBLIC ACCESS AND TRANSPARENCY.

As soon as a contract has been awarded, the procuring entity shall make all documents related to the evaluation of the bid and award of public contract---provided that where the disclosure of any information related to the award of a contract is of proprietary nature or where the procuring entity 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 administrative department.

The note reiterates the importance of public access and transparency. Explanation has already been provided on the announcement of evaluation reports and approval of contract award as required under rules. This rule makes it mandatory that in cases where public access and transparency is not in public interest, a procuring agency need not make public all documents related the evaluation of bid and award of contract. The rule, however, makes it clear that government agencies can avail such exemption only with the approval of the head of an administrative department. The RTI Act 2013 also gives government entities exemption from responding to the request for information and record in cases where this can be against public interest.

Where a request for a debrief is received from an unsuccessful bidder, prepare and send a debrief letter, within five working days of receipt of the request.

MIS-PROCUREMENT

Any breach of these rules shall account to mis-procurement and the person responsible for such breach shall be liable to be proceeded under the relevant law.

Explanatory Note:

Mis-procurement means public procurement in contravention of any provision of Act 2012, any rule, regulation, order or instruction made thereunder or any other law in respect thereof, or relating to, public procurement. Therefore, any purchase made by departments outside of normal purchasing procedures as provided in relevant laws, rules and other instructions from the government shall be treated “mis-procurement” under this rule.

PEDO has established an office of the Information and Grievance Redress (OIGR) to comply with the provisions of the RTI Act 2013 and to oversee the process of complaints against procurement and other processes. The office shall take note of complaints coming from outside of inside of PEDO and recommend actions as appropriate in the circumstances. PEDO has also established a Grievance Redress Committee (GRC) to review complaints where needed under the oversight of the OIGR.

Chapter 10 provides detail information on the grievance redress mechanism established in PEDO.

9. BIDS EVALUATION AND REPORTING

BID EVALUATION

- (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.

Explanatory Note:

The KPPRA Rules require that all procuring agencies shall place BERs as well as contracts awarded on their websites and the website of the KPPRA. These rules, however, provide only limited, if any, guidance on “evaluation process” and the structure and contents of the BER.

Once bids have been received and opened they need to be evaluated. The main purpose of bid evaluation is to determine the most viable responsive bid among the bids submitted before the closing time on the date specified in the bidding documents. The responsive bid may or may not necessarily be the lowest priced bid. The PC including the technical experts—which the PC associates in cases involving complex procurement, shall evaluate bids strictly against the established criteria given in the bid document.

PEDO shall consider the principles of public procurement explained in this manual while establishing evaluation criteria for any bidding process. The purpose of procurement is to get the best value for money over the lifetime of the contract through fair treatment of bidders and in compliance with the applicable laws, rules and regulations.

Bids Evaluation Process

The process shall usually comprise four stages:

<i>Stages</i>	<i>Description</i>
Arranging requirement information for scrutiny	Ensuring that complete information/data is available for review: It should mean reassessing that the record of bid opening—identifying all bids received the bid prices, the presence or absence of the requisite bid security, is neatly available and signed off by the officials who opened the bids
Screening	Ascertaining that they are, in general, compliant with the requirements laid down in bidding documents. Bids that do not meet the requirements get rejected at this stage.
Assessing substantial responsiveness of bids	Assessing substantial responsiveness of bids. A bid shall be considered substantially responsive if it does not contain any major deviations from the bidding documents or conditions which cannot be determined reasonably in terms of monetary value for financial adjustment. All such bids that are not substantially responsive shall be rejected. The assessment shall review; (a) prices and adjust them for errors with the consent of bidders; (b) commercial

<i>Stages</i>	<i>Description</i>
	responsiveness of the bids to the specific requirements laid down in the bidding document; and (c) technical responsiveness of bids against specific technical requirements indicated in the bidding documents.
Identifying the lowest evaluated bid	From the list of substantially responsive bids, identifying the lowest evaluated bid after adjusting for arithmetic errors in prices and making other addition to the cost for minor omissions in line with the relevant provisions of the bidding document.

In cases where post-qualification criterion is also included in the bid document, the lowest evaluated bidder shall be assessed for its capability to deliver the contract. Only the bidder that is evaluated “substantially responsive” and that also satisfies “qualification” assessment test, shall be awarded contract.

To ensure that all key requirements are properly reviewed and common benchmarks are applied in assessment, the PU shall use standardized tables for comparing prices, commercial responsiveness and technical responsiveness of bids. This shall allow (a) point-to-point comparison between key elements of a bid and relevant established criterion; (b) comparison between bids in terms of a common element. Following guidance shall apply while the PU prepares table:

- **Table for comparing prices:** A table of bidders and bid prices shall be prepared with all arithmetic errors corrected with the consent of the bidders—where noted. Bidders who do not accept the changes so made shall be rejected and their bid security forfeited. In case a bidder has given price in terms of foreign currency, the amount shall be converted into PKR using the applicable exchange rate as per the bid document. Some factors that call for price adjustment include proposed terms of payment, delivery schedule, duties and taxes (especially in civil works contracts), adjustment for technical side---completeness of scope, technical evaluation factor (energy consumptions, spare parts, inland transportation)
- **Table for assessing compliance substantive commercial terms:** Factors that can be grounds for rejection of a bid in this review include:
 - failure to sign the Bid Form and Price Schedules by the authorized person or persons;
 - failure of bidder to satisfy eligibility requirements,
 - failure to submit a bid security as per requirements
 - failure to satisfy the bid validity period (i.e., the bid validity period is shorter than specified in the bidding documents;
 - inability to meet the critical delivery schedule or work schedule clearly specified in the bidding documents, where such schedule is a crucial condition with which bidders must comply;
 - failure of bidder to comply with minimum experience criteria as specified in the bidding documents;
 - conditional bids, i.e., conditions in a bid which limit the bidder’s responsibility to accept an award (e.g., acceptance of the award is subject to government’s approval

for export,

- prior sale or availability of critical material available in the market, or a bid submitted with a price escalation condition when a fixed price bid is specified, or qualifications to the Conditions of Contract);
 - inability to accept the price adjustment formulae of the bidding documents;
 - failure to submit major supporting documents required by the bidding documents to determine substantial responsiveness of a bid.
- **Table for assessing compliance with substantive technical term:** Examples of non-conformance to technical requirements, which are justifiable grounds for rejection of a bid, are as follows:
 - failure to bid for the required scope of work (e.g., for the entire works or a complete package or a complete schedule) as instructed in the bidding documents and where failure to do so has been indicated as unacceptable;
 - failure to quote for a major item in the package;
 - failure to meet major technical requirements (e.g., offering completely different types specified, plant capacity well below the minimum specified, equipment not able to perform the basic functions for which it is intended);
 - failure to submit type-test reports for critical equipment, as clearly specified in the bidding documents.

The PC may, through the PU ask bidders to provide clarification if necessary. Bidders shall, however, not be permitted to the substance or price of their bids. In cases where price adjustments are necessary to make bids comparable, this shall be done.

In cases where post-qualification process has been included in the bidding process, the PC shall also prepare a table for evaluation of bidders' qualification against financial and technical criteria established in the bidding document. The lowest evaluated bidder shall be assessed for its capability against each element mentioned in the bidding document. In cases where the lowest evaluated bidder does not meet this final capability assessment test, this bid shall be rejected and the 2nd ranked bidder shall be put through the same test. The process shall continue till a bidder—who has been evaluated as “substantially responsive” meets this post-qualification assessment.

Structure and Contents of a BER

The BER should include sufficient information and documentation to establish to that the principles of public procurement and CoEs stipulated in the KPPRA Act 2012, and the KPPRA Rules 2014 and other applicable laws and rules have been met in public procurement process. The BER shall include:

- Basic Data Sheet;
- a copy of Invitation to Bids (EOI notice, tender notice, pre-qualification notice etc.)
- advertised as per the rules;
- the Record of Bid Opening including the attendance sheet of the representatives of bidders;

- Tables Bid Prices---corrected for arithmetic errors; if substantial arithmetic error corrections are involved, evidence that corrections for arithmetic errors have been accepted by the bidders concerned;
- Table of Substantive Responsiveness showing the bidders' compliance with major commercial terms and conditions;
- Table of Substantive Responsiveness showing the bidders' compliance with key provisions of the technical requirements of the specifications;
- recommendation for award of contract; and
- draft contract

The BER shall include a narrative section to elaborate on the information reflected in the tables used for comparison and identification of the “substantially responsive” and the lowest evaluated bid. More specifically, the BER’s narrative section shall adequately describe the reasons for rejection of bids which are considered non-responsive to the bidding documents should be fully explained and justified in the narrative section. Similarly, where price adjustments have been made, the basis for adjustments in the bid prices should be adequately explained and, where appropriate, cross references made to the relevant provisions in the bidding documents. Finally, there must be a clear statement setting out fully the rationale for the recommendation for contract award.

To help the users of the manual to prepare a well-structured BER, an example has been added an annexure to this chapter to show the application of this guidance in preparation of a BER. The PC shall apply the same approach and methodology in applying established criteria to all bids. The PU shall be part of the evaluation process to facilitate compliance with the requirement of equal treatment of all bidders against the same set of criteria.

It is important also that bids should be evaluated within the period of bids validity so that the benefit of public procurement can be actualized as intended.

Code of Ethics—and bids evaluation

The officials involved in evaluations have to comply with the Code of Ethics prescribed by PEDO through this manual. The public procurement rules require that PEDO prescribe a Code of Ethics (CoE) which should be binding on PEDO officials, and others who take part in public procurement process as well as vendors of goods, works and services. Any one failing to comply with these principles while performing a duty relatable to PEDO shall be liable for disciplinary action as deemed appropriate by PEDO. The CoE requires that the officials involved in public procurement shall exercise the highest degree of integrity, objectivity, confidentiality, and competence in procurement process. For detail treatment of this subject matter, users are encouraged to read chapter 3 of this manual.

10. GRIEVANCE REDRESS MECHANISM (GRM)

Clause 35 KPPRA Act 2012: Grievance Redressal Mechanism (GRM)

Any bidder aggrieved by any act of the procuring entity may follow the two tier grievance redressal mechanism: (a) file a complaint in writing to the head of procuring entity in accordance with prescribed procedure; and (b) file an appeal to the Authority against the decision of the procuring entity within fifteen days in accordance with the prescribed procedure.

PEDO needs an effective grievance redress mechanism to ensure that complaints are promptly addressed as per Clause 35 KPPRA Act 2012. Public can file complaints for a variety of reasons. The common causes giving rise to complaints are procurement process, environmental issues, social disputes, and HR related.

Objectives

Aim of the formation of GRM is:

1. To ensure transparency and accountability in the operations of PEDO.
2. To avoid conflict of interest in the working of PEDO.
3. To provide in-house complaint and appeal mechanism, and avoid unnecessary litigation.
4. That every request for information/complaint is properly handled and responded to.
5. That proceedings are fully documented for future reference and record.

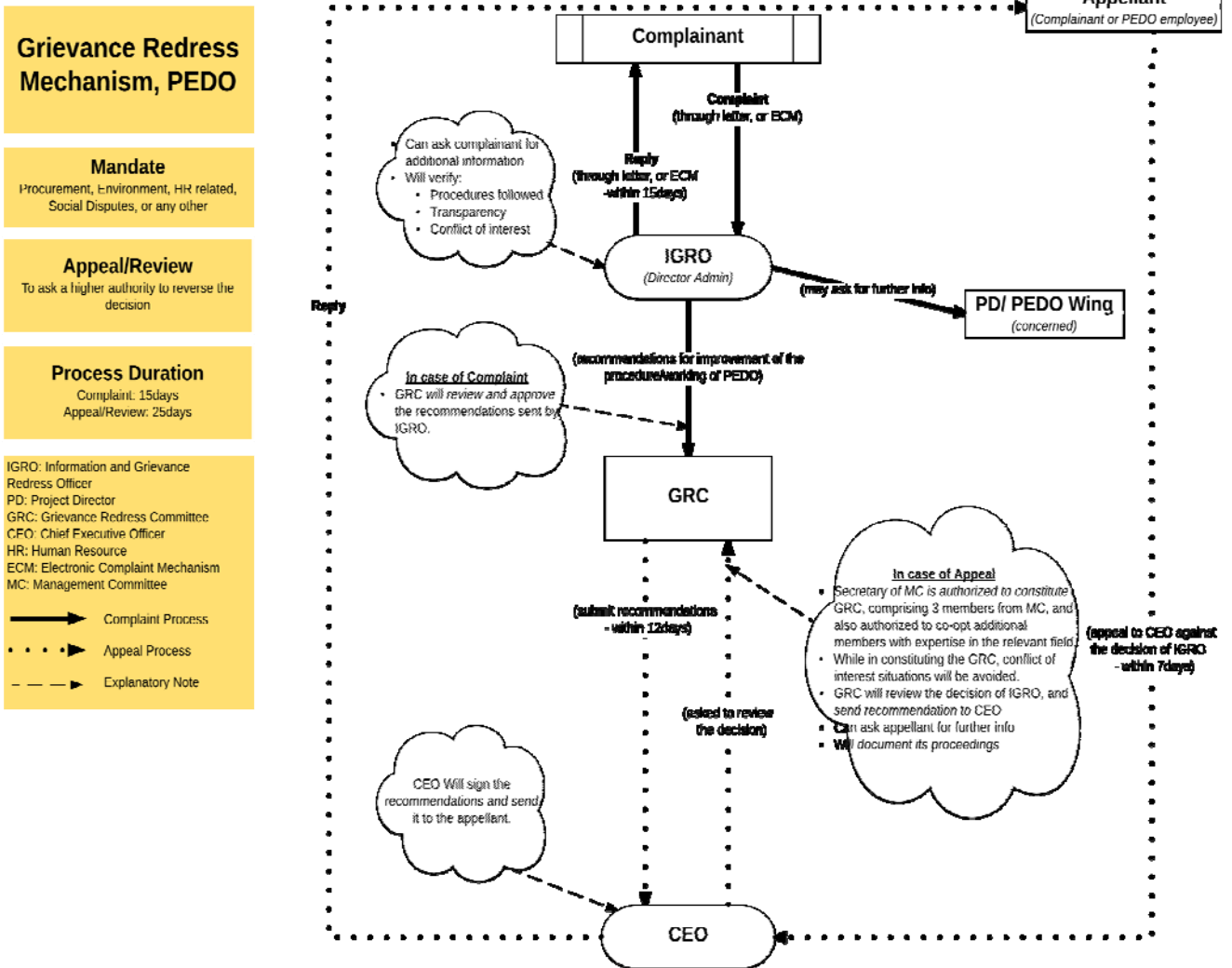
Mechanism

The following procedure shall be adopted for grievance redressal.

1. Director Admin/Officer in-charge (Admin), PEDO shall be designated as “Information and Grievance Redress Officer (IGRO) for purpose of handling complaints and its redressal.
2. The IGRO shall act as a single point of public contact for disposal of a request for information or grievance.
3. Anyone can file a request for information/clarification from the IGRO by submitting an application on paper to PEDO either personally, through registered post or Electronic Complaint Mechanism (ECM). The application must contain the name, contact details and CNIC no. of the complainant. Anonymous complaints will not be considered.
4. Every complaint shall be duly acknowledged and a receipt will be issued.
5. The IGRO shall track and follow up every complaint/request for information in the office till its disposal.

6. The IGRO, upon receipt of complain, shall review it, and may seek explanation/further information from the relevant wing/Project Director (PD) of PEDO.
7. PD/relevant wing shall respond within three (3) days to the request of information/explanation/record received by him/her from the IGRO.
8. The IGRO will consider each complaint on its merit. It can call up the complainant for additional information/clarification. The IGRO will also examine the explanation of the PD and get additional information from the PD if required in arriving at a conclusion.
9. The IGRO, within twelve (12) days of the receipt of grievance, shall complete the proceedings along with recommendations.
10. Upon completion of the grievance redressal process, the IGRO may identify weaknesses in the PEDO working/procedures, or recommend further action against those who are found responsible. The IGRO shall forward his proposal to the PEDO's Management Committee, which shall discuss, and may approve the same, for adoption at the institution level.
11. The IGRO will communicate his findings/response to the complainant and to the person held responsible for causing the grievance (if any) directly through letter or ECM. The IGRO may if deemed appropriate held a meeting with the complainant to help satisfy him with regard to the complaint filed.
12. In case of feeling aggrieved by the findings of the IGRO, the complainant or the person held responsible may file formal appeal to the CEO, PEDO, against the decision of the IGRO within seven (7) days of the response to the complainant.
13. The appeal must be filed through letter or email, with clearly stating the reference no. of the decision made by IGRO.
14. Upon receipt of the appeal, the CEO will forward it to the Management Committee of PEDO, to review the decision made by IGRO.
15. Secretary of management committee (MC) is authorized to constitute Grievance Redressal Committee (GRC) comprising of three members from the management committee. The Secretary MC is also authorized to co-opt additional members with expertise in the relevant field. While in constituting the GRC, conflict of interest situations will be avoided.
16. The GRC can call up the appellant for additional information/clarification. The GRC will also examine the explanation of the PD and IGRO, and get additional information from the PD/IGRO if required in arriving at a conclusion.
17. The GRC will fully document its proceeding for future reference and record and to ensure transparency and accountability in its decision.
18. The process shall take no more than twelve (12) days, and will submit its response to CEO.
19. The CEO shall review the GRC's work, and consult with the GRC members. Following this process, the CEO shall sign off the recommendation and communicate the response to the appellant.

20. The total time taken in responding to complaint shall not exceed fifteen (15) days.
21. In case of appeal total time taken in its disposal shall not exceed twenty five (25) days.
22. If grievance is against the procurement process and the appellant is dissatisfied with findings of PEDO, the appellant may contact the KPPRA as per the KP Procurement Rules 2014.



Annexure 1: Integrity Pact

INTEGRITY PACT

DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC. PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN CONTRACTS WORTH RS.10.00 MILLION OR MORE

Contract Number: _____ Dated: _____

Contract Value: _____

Contract Title: _____

[Name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from PEDO through any corrupt business practice.

Without limiting the generality of the foregoing [Name of Supplier] represents and warrants that it has fully declared the brokerage, commission, fee etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultations fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form PEDO, except that which has been expressly declared pursuant hereto.

[Name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with PEDO and has not taken any action or will not take any action to circumvent the above declaration, representative or warranty.

[Name of Supplier] accepts full responsibility and strict liability for making and false declaration, not making full disclosure, misrepresenting fact or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to PEDO under any law, contract or other instrument, be voidable at the option of GoKP.

Notwithstanding any rights and remedies exercised by PEDO in this regard, [Name of Supplier] agrees to indemnify PEDO for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to PEDO in an amount equivalent to ten time the sum of any commission, gratification, bribe, finder's fee or kickback given by [Name of Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from PEDO.

Buyer

Seller/Supplier

Annexure 2: Procurement Planning Template (PPT)

PROCUREMENT PLANNING TEMPLATE (PPT)											Annex-1
Sr.#.	Category	Item's Description	Estimated Cost (in million PKR)	Procurement Methods	Pre-qualification (Yes/No)	Estimated Completion Dates for Critical Actions					
						Advertisement	Bid Opening/ Proposals submission	Bids Evaluation Report	Award Decision	Signing of Contract	Completion
1	Works										
2	Goods										
3	Consultancy Services (firms)										
	Consultancy Services (individuals)										

Note: Please follow the guidance provided in procurement planning and monitoring section of the manual in filling up the above columns.

Note: Please follow the guidance provided in procurement planning and monitoring section of the manual in filling up the above columns.

Annexure 3: Annual Procurement Plan (APP)

<u>ANNUAL PROCUREMENT PLAN</u>						
Sr.#.	Category	Item’s Description	Estimated Cost (in million PKR)	Procurement Methods	Expected Advertisement Date	Expected Completion Date
1	Works					
2	Goods					
3	Consultancy Services (firms)					
	Consultancy Services (individuals)					

This template is used by procuring agencies in KP to prepare procurement plans in line with the KPPRA Instructions. The website http://kppra.gov.pk/procurement_plans/ may be visited for sample procurement plans.

Annexure 4: Dashboard for Monitoring Procurement Actions

DASHBOARD FOR MONITORING PROCUREMENT ACTIONS				Annex-3
PROCUREMENT FOR CONSULTANCY SERVICES (QCBS)				
	Estimated Cost	Procurement Method		
Sr.#	Procurement Actions	Completion Date for Action		Explanation for Variation
		Planned	Actual	
1	Advertisement (EOI Notice)			
2	EOI/prequalification documents submission			
2	Report on EOI evaluation/prequalification			
3	Issue of RFP to shortlisted/prequalified			
2	Bid Submission/Opening			
3	Bid Validity			
5	Review of Technical Proposal (TP)			
6	Opening and Review Financial Proposal (FP)			
7	Bid Evaluation Report (TP & FP combined)			
8	Approval and notification of award decision			
9	Contract Signing			
10	Contract Closure			
1. The Procurement Cell shall maintain this Dashboard for every procurement that is estimated to cost PKR xxxxx of above.				
2. Expected dates of procurement actions will be taken from bid documents and stated in the dashboard.				
3. Procurement actions will be monitored for compliance with expected dates and variations will be explained.				
4. Every week, a summary report will be submitted to the CEO flagging issues in procurement actions requiring attention.				

Annexure 5: Example of a Bid Evaluation Report

XXXXXX

BID EVALUATION REPORT (TECHNICAL PROPOSALS)

FOR

XXXXXX POWER STATION REHABILITATION PROJECT

BID No. 15/XXXXXX/06 (ICB)

ADB LOAN No. XXXX-XXX

XXXXXX POWER STATION IMPROVEMENT PROJECT

26 SEPTEMBER 2006

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Appendix 3 TABLE 1: EXAMINATION OF COMPLETENESS OF BID DOCUMENTS

Appendix 4 TABLE 2: EVALUATION OF BIDDERS' QUALIFICATION

Appendix 5 TABLE 3: SUBSTANTIVE RESPONSIVENESS OF BIDS
(COMMERCIAL TERMS)

Appendix 6 TABLE 4: SALIENT TECHNICAL FEATURES OF BIDS
(TECHNICAL PROPOSALS)

INTRODUCTION

1.1 General

The xxxxxx has received a loan from the Asian Development Bank (ADB) to finance the cost of implementing the improvement program of the existing xxxxxx Power Station. It is intended that part of the proceeds of this loan be used for eligible payments for the supply of equipment, installation, testing and commissioning and related technical services in the rehabilitation and upgrading works of the xxxxxx Power Station for which these bids have been invited. As stipulated in Schedule 4 of the Loan Agreement, the ADB Two-Stage, Two Envelope bidding procedure has been adopted for this procurement.

The Invitation for Bids was advertised in the 22 and 25 April 2006 issues of local English language newspapers, xxxxxx and xxxxxx and in the ADB website on 25 April 2006. A brief report on the advertising, which includes the names of the newspapers, the dates of the advertisements, was forwarded to ADB under cover of xxxxxx's letter dated 28 April 2006. The site visit and pre-bid meeting were held on 5 June 2006 at xxxxxx Power Station as stipulated in the bidding documents. Ten (10) potential bidders out of fifteen (15) firms which purchased the bidding documents attended the site visit and pre-bid meeting. The minutes of the pre bid meeting were prepared and sent to the firms which purchased the bidding documents. As a result of the pre-bid meeting an addendum to the bidding documents was issued on 7 June 2006 to clarify certain aspects of the technical requirements of the bidding documents. Copies of the addendum were forwarded to ADB under cover of xxxxxx's letter dated 9 June 2006.

1.2 Submission of Bids

The closing time for the submission of bids was not extended during (the bidding period and the receipt of bids by the xxxxxx was closed at 10:30 AM local time on 25 July 2006 as scheduled. Out of fifteen (15) firms which purchased the bidding documents, seven (7) bidders submitted bids.

1.3 Bid Opening

Bids were opened as scheduled in the bidding documents, at 11:00 AM on 25 July 2006 at the meeting room, second floor of the Administration Building of the xxxxxx Power Station, by the Bid Opening Committee in the presence of representatives of bidders. The bidders' names were announced and recorded. The Bid Opening Committee opened the envelopes of the technical proposals and examined the documents. All the necessary papers, forms and schedules were signed by the members of the Committee. The conditions of the second envelopes containing price proposals were checked thoroughly and signed by the members of the Committee on each of the envelopes. The Record of Bid Opening was prepared soon after the bids were announced and a copy of the Record of Bid Opening was furnished to the ADB under cover of xxxxxx's letter dated 29 July 2006. A copy is attached as Appendix 1.

1.4 Basic Data

The key information of the bidding process was collected so that it would be readily available. The basic information pertaining to the bidding was summarized and is presented in **Appendix 2**.

1.5 Bid Evaluation Committee

A Bid Evaluation Committee comprising four senior officers of xxxxxx was established by the Executive Director. The Committee was assisted by the staff of the Administrative Division of xxxxxx Power Station. The Bid Evaluation Committee members were:

- | | |
|----------------------|--|
| (1) Chairman | General Manager, Power Station |
| (2) Member | Chief Engineer, Power Station |
| (3) Member | Director, Planning Department, xxxxxx |
| (4) Member/Secretary | Manager, Finance and Administration, Power Station |

The Committee's decisions have been made on the basis of unanimous views; in case unanimous decisions could not be reached on certain issues, these issues were brought to the attention of the Executive Director of xxxxxx for a decision.

EXAMINATION FOR COMPLETE-NESS OF BIDS

2.1 List of Bidders

The names of the bidders and their nationalities are shown in the following table.

Bidders		
No.	Name	Nationality
1.	Bidder No. 1	XXXXXXXXXX
2.	Bidder No. 2	XXXXXXXXXX
3.	Bidder No. 3	XXXXXXXXXX
4.	Bidder No. 4	XXXXXXXXXX
5.	Bidder No. 5	XXXXXXXXXX
6.	Bidder No. 6	XXXXXXXXXX
7.	Bidder No. 7	XXXXXXXXXX

2.2 Bid Documents (Technical Proposal)

The technical proposals submitted were examined to verify that the bidders had submitted all the documents and information required by the bidding documents. The following were verified:

- i. Form of Bid for technical proposal and Bill of Quantities (without price);
- ii. Joint Venture Agreement or Letter of Intent to Enter into an Agreement, if required;
- iii. Presence of Power of Attorney and Proprietary of Signature;
- iv. Documents establishing the eligibility of bidders and goods;
- v. Documents required to assess the qualification of bidders, its manufacturers and subcontractors; and
- vi. Schedules of particular information and documents required to establish that the goods conform to the bidding documents. The results of checking for completeness of bid documents are presented in Table 1: Examination of Completeness of Bid Documents, and attached as **Appendix 3**.

2.3 Propriety of Signature and Power of Attorney

All documents were signed in accordance with the Instructions to Bidders and corrections were also initialed by the authorized person. The power of attorney for the signatory of each of the bids was acceptable. The information is included in Table 1, **Appendix 3**.

DETERMINATION OF SUBSTANTIVE RESPONSIVENESS OF BIDS

3.1 Eligibility of Bidders and Goods

In Clauses 4 and 5 of the Instructions to Bidders of the bidding documents it was specified that the bidder, and the goods and the services to be supplied shall be an eligible source Country of the ADB. All bidders submitted certifications and necessary documentation which indicated that they are nationals of an eligible member country of ADB. Further, all bidders submitted certification that they were not involved in the consulting services associated with this contract (See Appendix 5, Table 3 of Substantive Responsiveness of Bids to Commercial Terms).

3.2 Bidders' Qualifications

The bidding documents required, in Clause 19 of the Instructions to Bidders, that each bidder submit with the bid evidence of its technical capability, financial capacity and previous experience in similar works by completing the forms and schedules provided in the bidding document. All bidders submitted due forms and schedules satisfactorily and few requests for additional information and clarifications were required. The detailed review of the information to determine whether the bidder was qualified to perform the requirements of the contract was carried out in accordance with the provisions of the bidding documents. The results of the review were summarized in Table 2: Evaluation of Bidders' Qualifications, and are attached as Appendix 4. The findings of the review are briefly presented below.

(a) Bidder No. 1

The financial and technical capacities were sound. Bidder No.1 possesses vast experience in turnkey projects for fossil power plants and also for rehabilitation and renovation works, both at home and abroad. Bidder No. 1 is considered to have satisfactory experience to undertake this contract.

(b) Bidder No. 2

The financial and technical capacities were satisfactory. Bidder No. 2 submitted the list of previous experience which showed that the bidder has extensive experience for fossil power plants both inside and outside of its country. Bidder No. 2 is considered qualified for this contract.

(c) Bidder No. 3

The financial and technical capacities were adequate for the contract. Bidder No. 3 has undertaken and completed quite a number of power plants of different sizes on a turnkey basis both at home and abroad. The bidder submitted documentary evidence of a 110 MW power station of contract value US\$15 million and 3x50 MW power stations of contract value US\$22 million Bidder No. 3 is considered qualified to undertake this contract.

(d) Bidder No. 4

Bidder No. 4 had satisfactory financial and technical capacity. The lead partner of the consortium is an electricity supply and distribution company and has engineering and project management experience in power plants. However, the lead partner could not provide evidence of its experience in manufacturing and erecting either new power plants or rehabilitation works of a similar nature. The letter of satisfactory performance submitted was from the site engineer for a power transmission project, not from the employer (end user).

Further, although the second partner in the consortium is a power company, both firms failed to provide evidence of their experience in large engineering works carried out outside their home countries, as clearly stipulated in Clause 17.3(a) of the Instructions to Bidders. Therefore, the Bid Evaluation Committee considered that the Bidder No. 4 was not qualified to undertake this contract.

(e) Bidder No. 5

Bidder No. 5 had satisfactory financial and technical capacity. Bidder No. 5 has had satisfactory experience in xxxxx, however, it is unable to produce satisfactory evidence of its experience outside xxxxx, as required in the bidding documents. The experience record submitted was the survey, design and construction of a transmission line for a power distribution system in 1989. The cost of the project was US\$4 million. Such a project could not be considered as large engineering works as specified in Clause 17.3(a) of the Instructions to Bidders. Bidder No. 5 was, therefore, not qualified to undertake this contract.

(f) Bidder No. 6

The financial and technical capacities of Bidder No. 6 were quite strong. The joint venture partner xxxxx has executed several large turnkey power plant projects in xxxxx and abroad including rehabilitation and upgrading of power generating stations. The following are examples:

* Experience at Home

xxxxx Power Plant	4x200 MW	Turnkey
xxxxx Power Plant (Rehabilitation)		6x200 MW
		Turnkey

Experience Abroad

xxxxx Power Station	2x210 MW	xxxx
xxxxx Power Station	2x250 MW	xxxx

Bidder No. 6 was considered qualified for the contract.

(g) Bidder No. 7

The financial and technical capacities of the joint venture were satisfactory. The joint venture partner xxxxxx possessed good experience in various turnkey fossil power plant projects in xxxxxx. The renovation and expansion of an existing power station (project cost US\$15 million) in xxxxxx in 1991 was considered as large engineering works which satisfied the requirement of Clause 17.3(a) of the instructions to Bidders. Bidder No. 7 was considered qualified to undertake this contract.

3.3 Compliance with Commercial Terms and Conditions

3.3.1 Bid Validity and Bid Security

The bid validity period of at least 180 days from the date of bid opening was specified in the bidding documents. All bidders offered the bid validity period as required. As stipulated in the bidding documents, all bidders confirmed that they had submitted the bid security in their price proposals.

3.3.2 Terms of Payment and Reservations to Commercial Conditions

All bidders accepted the terms and conditions of the bidding documents with respect to payments and also accepted the price adjustment provisions and specified mechanism for the determination of price adjustments. None of the proposals contained serious reservations to the major commercial conditions of the bidding documents. All bidders accepted the provisions for liquidated damages, functional guarantees and the corresponding adjustments, performance security, insurance and other stipulations for the transportation of goods, warranty conditions, and after sales service.

3.3.3 Time for Completion/Contract Execution Schedule

The contract execution schedules and sequence of delivery of major units of plant were evaluated in detail and compared with the requirements of the bidding documents. The contract execution schedules submitted by the bidders were generally in order. All the bidders' proposed contract execution schedules met the completion requirement of 21 months for the total scope of work. However, the completion time for Bidder No. 2 and Bidder No. 6 for the 60 MW system renovation works was two months longer than the specified time of 16 months (See Table 3: Substantive Responsiveness of Bids, Appendix 5).

These deviations were considered minor and as such did not result in rejection of the bids. These matters would be brought to the attention of the bidders during discussions on Technical Requirements. In case they have to maintain their proposed schedules because of their technical capabilities, necessary price adjustments would be made in accordance with the stipulated terms of the bidding documents during evaluation of the price proposals.

DETAILED EVALUATION FOR TECHNICAL REQUIREMENTS

4.1 Non-Responsive Bids and Responsive Bids

As discussed in Section 3, in particular sub-section 3.2, Bidders' Qualifications, out of the seven (7) bidders who submitted proposals, the bids of five (5) bidders were determined as substantially responsive to the requirements of the bidding documents. The other two (2) bidders were determined as non-responsive as they did not have the minimum experience requirements stipulated in the bidding documents. Their bids were rejected and thus excluded from further evaluation. The list of responsive and non-responsive bidders is as follows:

A. Responsive Bidders

1. Bidder No. 1
2. Bidder No. 2
3. Bidder No. 3
4. Bidder No. 6
5. Bidder No. 7

B. Non-Responsive Bidders

- 1.
2. Bidder No. 4
3. Bidder No. 5

4.2 Evaluation of Technical Requirements of Responsive Bids

The scope of supply, technical information, and data submitted by the bidders were scrutinized in detail and comparisons were carried out with the technical requirements of the bidding documents. All five bidders submitted substantially complete information and generally satisfied the technical requirements of the bidding documents. Because of the nature of the rehabilitation works and the size of the plant involved, many clarifications and additional information were required to assess the technical acceptability and standards of goods and services offered, and also to assess the completeness of the scope of renovation works. The results of the scrutiny are summarized in Table 4: Salient Technical Features of Bids (technical proposals) and attached as Appendix 6. Overall, all the bidders' technical proposals were substantially responsive with minor adjustments required. The minor adjustments required were as follows:

4.2.1. Bidder No. 1

(a) Section 1: Boiler and Auxiliaries

The proposal of Bidder No. 1 gave the complete scope of supply and services with relevant drawings. The detailed lists of piping, valves and instruments were provided. However, due to the nature of the rehabilitation works, these restrictive lists were not acceptable. The lists should be treated as indicative only and Bidder No. 1 must take responsibility to provide any pipes, valves and materials necessary for the rehabilitation.

- i. Chemical Injection System: more details of the scope of supply were required; and

- ii. Bidder No.1 guaranteed an efficiency not lower than 89% at MCR for a steam flow at 250 ton/hour, which was less than the 90.5% specified in the bidding documents. This matter would be brought to the attention of Bidder No. 1 and in case this efficiency had to be retained, necessary price adjustment would be made in accordance with the stipulated terms of the bidding documents during evaluation of the price proposals.

(b) Section II: Turbine and Auxiliaries

The proposed performance of Bidder No. 1 for output and heat rate was as follows:

- Proposed Guaranteed Output: 60 MW
- Proposed Guaranteed Heat Rate: 2,325 kcal/kWh.

These figures were acceptable and in accordance with the specification. The guaranteed heat rate was supported by the heat balance diagram and calculations submitted with the proposal were in accordance with the requirements of the bidding documents.

(c) Section V: New Soot Blower

Bidder No. 1 did not submit any information about the supply and installation of the non-retractable soot blower. Clarification and additional information on this matter would be required.

(d) Section VII: Electrical Equipment

- i. Battery 110V and 60V
No detailed information was submitted. Leaflets, technical data sheets, and qualification of sub-suppliers, if any, will be required;
- ii. Generator, Excitation System
More detail regarding the overhaul of the excitation system was required;
- iii. Protection System of Generator
No detailed information was submitted; and
- iv. Motors
No detailed information was submitted regarding overhaul of 6.6 kV motors.

(e) Section VIII: Instrumentation and Control Equipment

Process Control and Operation Management System (PCOM) Bidder No. 1 proposed xxxxxx digital distributed control system, which is regarded as one of the major field-proven digital control systems in the power industry. xxxxxx is equipped with all the functions required and comprehensive relevant technical descriptive material was included. The following points are to be confirmed by Bidder No. 1.

- UPS rating to be adequate for orderly shut down procedure for minimum of one hour.
- PCOM training included in the scope, and details of the PCOM Training program will be submitted.

(f) Section X: Fire Fighting System

Engine Driven Fire Pump with diesel storage tank. The proposal of Bidder No. 1 included the supply of one set of this pump. However, no detailed technical information was submitted. Such information needed to be furnished.

4.2.2 Bidder No. 2.

Bidder No. 2 provided a general description of its supplies and works but information and drawings on the performance of the works and goods were inadequate. Bidder No. 2 limited some quantities of its supplies, which is unacceptable as the bidder is required to take total responsibility for the complete rehabilitation.

(a) Section I: Boiler and Auxiliaries

i. Air and Waste Gas System

Dampers – Main characteristics need to be provided.

Chimneys – Materials used for renovation must be suitable for a corrosive environment. Bidder No. 2 did not provide details of its supplier.

ii. Chemical Injection System

More details of scope of supply and technical data were required.

iii. Guaranteed Values

Bidder No. 2 guaranteed an efficiency of not less than 90.5%, at MCR after rehabilitation works for a steam flow at 250 ton/hr. However, its guarantee was subject to conditions indicated in the proposal. This conditional guarantee was unacceptable. The conditions need to be withdrawn.

(b) Section 11: Turbine and Auxiliaries

The proposed performance of Bidder No. 2 for output and heat rate were as follows:

- Proposed Guaranteed Output: 60 MW
- Proposed Guaranteed Heat Rate: 2,408 kcal/kWh.

No drop in output from the specified output of 60 MW. However, there is a drop in heat rate from the specified figure by 81 kcal/kWh. Bidder No. 2 did not submit relevant heat balance diagram and calculations. Bidder No. 2 needed to submit heat balance diagram and calculations to support its guaranteed heat rate.

(c) Section III: Steam and Water Cycles Feed Water Control System

The scope of supply, technical data and drawings were not provided.

(d) Section IV: Ancillary Equipment

i. Circulating Water System

Bidder No. 2 did not indicate the supply of additional spare parts for the circulating water pumps and also works for the corrosion protection of the circulating water system.

ii. Hydrogen Cooling Water System

Tubes for Heat Exchangers. Bidder No. 2 did not indicate clearly that it will supply 100% of tubes for heat exchangers and CW pump shaft and accessories. Bidder No. 2 need to provide confirmation and technical data.

(e) Section VI: Circulating Water Intake

i. Design Parameters

Bidder No. 2 needed to confirm that the intake was designed for the flow rate of 26,000 m³/h at L.W.L. and also that the flow through each screen at L.W.L. was 6,500 m³/h. The design values must be supported by preliminary drawings and calculations.

ii. Scope of Supply

Bidder No. 2 did not submit detailed information for the supply and installation of the 3 ton derrick type crane. Clarification and additional information was required.

(f) Section VIII: Instrumentation and Control Equipment

i. PCOM System.

Bidder No. 2 proposed xxxxxx which is considered by the power industry as one of the major field-proven digital distributed control systems. The system is equipped with all the functions required and relevant technical descriptive material was included. The following matters needed to be confirmed by Bidder No. 2:

- Uninterruptible Power Supply (UPS) with the capacity of 25 kVA for one hour will be supplied.
- PCOM training will be included in the scope, and details of the PCOM training program will be submitted.

ii. Turbine Vibration Alarm System

More detailed information on the scope of supply for the I & C control system needed to be submitted.

(g)Section IX: Hydrogen Generation Plant

The content of nitrogen, carbon monoxide, carbon dioxide and water in the Hydrogen product needed to be provided by Bidder No. 2;

- i. Bidder No. 2 did not provide power consumption per Nm³ of production of Hydrogen gas. The bidder needs to submit guaranteed power consumption; and
- ii. The proposal of Bidder No. 2 did not include adequate information on I&C equipment for hydrogen generation plant. The bidder needed to provide the necessary information.

(h) Section X: Fire Fighting System

The information submitted for the diesel engine driven fire pump and diesel storage tank was not sufficient for evaluation. Clarification and additional technical data needed to be provided.

(i) Section XVII: Instrumentation and Control

i. Communication System

Leaflets, technical data sheets and descriptive information were submitted along with the qualification information for the sub-supplier. More details of the scope of supply for intercom system and loudspeakers was required.

ii. Fire Alarm System

Bidder No. 2 needed to confirm that spare parts as specified would be included in the scope of supply.

Note: All seven bidders shall be assessed for compliance against all technical parameters following the same steps covered for Bidder No. 1 and Bidder no. 2.

4.3 Clarifications and Discussions

The findings of the detailed evaluation of the technical documents submitted by the responsive bidders as summarized in paragraphs 4.2.1 to 4.2.5 were sent to the respective bidders with the request to submit the necessary clarifications, additional information, changes and modifications of their proposed equipment and materials, where necessary, so as to satisfactorily conform with the technical requirements of the bidding documents. The bidders were given about two weeks to submit these documents. All five (5) qualified bidders complied with the request. Clarification meetings with all bidders were held on 18 and 19 September 2006 to resolve any outstanding matters. The additional documents submitted by the bidders and further clarifications made by the representatives of bidders at clarification meetings, resulted in their technical proposals conforming to acceptable technical standards and meeting the technical requirements of the bidding documents. The five (5) bidders were instructed in writing that a supplementary price proposal, if they considered it necessary, should be submitted at the clarification meetings scheduled on 18 and 19 September 2006.

CONCLUSIONS AND RECOMMENDATIONS

They were clearly advised in the letters that they may submit supplementary price proposals according to the changes, revisions and modifications made to their original technical proposals. Bidders were warned that supplementary price proposals were limited to those bid items which were involved in the changes, revisions, or modifications to the original technical proposals. Only two bidders, Bidder No. 1 and Bidder No. 2, submitted supplementary price proposals.

On the basis of the analysis of the technical proposals presented in this Report, it is concluded that:

(a) Bidder No. 4 and Bidder No. 5 did not have the minimum experience requirements stipulated in the bidding documents. Therefore, it was recommended that their bids should be rejected and their price proposal envelopes should be returned unopened;

(b) The original technical proposals supplemented by clarifications, additional information, changes and modifications, where necessary, of the following bidders were considered responsive to the requirements of the bidding documents:

1. Bidder No. 1

2. Bidder No. 2

3. Bidder No. 3

4. Bidder No. 6

5. Bidder No. 7

It was recommended that the above five (5) bidders be informed that their technical proposals, supplemented by additional information, changes and modifications submitted during the evaluation of the technical proposals, were considered responsive to the bidding documents.

Appendix 1

RECORD OF BID OPENING

Loan No. xxxx-xxxProject Title : xxxxx Power Station Improvement Project

Bid No. 15/xxxxxx /06 (ICB)Bid Title: xxxxx Power Station Rehabilitation Project

1. The following bids were received by the closing deadline on 25 July 2006 at 10:30 AM and were publicly opened and announced at 11.00 AM on the same date. The following seven (7) bidders submitted both “Technical Proposal” and “Price Proposal” in separate envelopes as per instructions of the bidding documents.

<i>Bid No.</i>	<i>Name of Bidder Nationality</i>	<i>Technical Proposal</i>	<i>Price Proposal</i>	<i>Signature</i>
1	Bidder No. 1	Yes	Yes	Signed
2	Bidder No. 2	Yes	Yes	Signed
3	Bidder No. 3	Yes	Yes	Signed
4	Bidder No. 4	Yes	Yes	Signed
5	Bidder No. 5	Yes	Yes	Signed
6	Bidder No. 6	Yes	Yes	Signed
7	Bidder No. 7	Yes	Yes	Signed

2. The following bidders’ representatives attended the public opening of bids and a copy of the attendance sheet is attached as an annexure of this record.

<i>Bidder No.</i>	<i>Name</i>	<i>Designation</i>	<i>Bidding Company Represented</i>
1.	Mr. xxxxxx	Manager Asia Office Deputy	Bidder No. 1
2.	Mr. xxxxxx	Director International Marketing Division	Bidder No. 2
3.	Mr. xxxxxx	Deputy Chief Overseas Section	Bidder No. 3
4.	Mr. xxxxxx	Chief Mechanical Engineer	Bidder No. 4
5.	Mr. xxxxxx	Deputy Director South East Asia Region	Bidder No. 5
6.	Mr. xxxxxx	Manager Local Branch Office	Bidder No. 6
7.	Mr. xxxxxx	Technical Manager Planning & Design	Bidder No. 7

3. The Bid Opening Committee members and the respective representative of the bidders examined the scaling and marking of each of the Price Proposal envelopes and signed the

envelope. It was noted that there were no serious defects in respect to the sealing and marking of the envelopes.

Reading and signing of documents ended at 12:00 hrs.

Signed

Member

Chief Engineer

xxxxx Power Station

Signed

Chairman

General Manager

Signed

Member

Director, Planning Dept.

xxxxxx

ATTENDANCE SHEET AT OPENING OF BIDS

Loan No. xxxx-xxx Project title : xxxxxx Power Station Improvement Project
 Bid No. 15/xxxxxx/06 (ICB) Bid title : xxxxxx Power Station Rehabilitation Project
 Place: Meeting Room Date: 25 July 2006; Time: 11: 00 AM
 Second Floor
 Administration Building
 xxxxxx Power Station

The following bidder's representatives attended the public opening of bids.

Bidder No.	Bidders	Name	Representative Designation	Signature
1.	Bidder No. 1	Mr. xxxxxx	Manager Asia Office	Signed
2.	Bidder No. 2	Mr. xxxxxx	Deputy Director International Marketing	Signed
3.	Bidder No. 3	Mr. xxxxxx	Deputy Chief Overseas Section	Signed
4.	Bidder No. 4	Mr. xxxxxx	Chief Mechanical Engineer	Signed
5.	Bidder No. 5	Mr. xxxxxx	Deputy Director South East Asia Region	Signed
6.	Bidder No. 6	Mr. xxxxxx	Manager, Local Branch Office	Signed
7.	Bidder No. 7	Mr. xxxxxx	Technical Manager Planning & Design	Signed

Appendix 2

BASIC DATA SHEET

1.	Project Title	xxxxxx Power Station Improvement Project
2.	Loan Number	xxxx xxx
3.	Bid Title	xxxxxx Power Station Rehabilitation Project
4.	Bid Number	15/xxxxxx/06 (ICB)
5.	Estimated Value	US\$ 10,585,000.00 (LC 446,697,600)
6.	Date Invitation for Bids Issued	22 April 2006
7.	Mode of Procurement	International Competitive Bidding Two Stage, Two Envelope Bidding Procedure
8.	Bid Closing Date and Time	10:30 AM on 25 July 2006
9.	Bid Opening Date and time	11:00 AM on 25 July 2006
10.	Number of Bids Received	Seven (7) Bids
11.	Bid Validity Expires	21 January 2007 (180 days)
12.	Date for Determining Applicable	(Not Applicable)

Appendix 3

TABLE 1: EXAMINATION OF COMPLETENESS OF BID DOCUMENTS

Item	Description	Bidder No.						
		1	2	3	4	5	6	7
1	Bid Documents (Technical Proposal)							
1.1	One original and two copies	Y	Y	Y	Y	Y	Y	Y
1.2	Form of Bid for Technical Proposal	Y	Y	Y	Y	Y	Y	Y
1.3	Bill of Quantities (without pricing)	Y	Y	Y	Y	Y	Y	Y
1.4	Schedules of Particular Information							
	1) Contract Execution Schedule	Y	Y	Y	P1	Y	Y	Y
	2) Financial Data	Y	Y	Y	Y	Y	Y	Y
	3) Technical Data	Y	Y	Y	P1	Y	Y	Y
	4) Bidders' Organization	P1	P1	Y	N	Y	Y	Y
	5) References from Previous Employers							
1.5	Drawings and Documents to be							
	submitted with bid	Y	Y	Y	P1	Y	Y	Y
1.6	Joint Venture Agreement or Formal Letter of	NA	NA	NA	Y	NA	Y	Y
	Intent to Enter into a Joint Venture Agreement							
2	Propriety of Signature and Completeness	Y	Y	Y	Y	Y	Y	Y
2.1	Power of Attorney	Y	Y	Y	Y	Y	Y	Y
2.2	Bid Form (Technical Proposal), Schedules,							
	properly signed or not	Y	Y	Y	Y	Y	Y	Y
2.3	Completeness of Bids	Y	Y	Y	Y	Y	Y	Y

Y= Yes N = No

P= Partial NA = Not Applicable

1 Provide details

Appendix 4

TABLE 2: EVALUATION OF BIDDERS' QUALIFICATIONS

Bidder No.	Pending Litigation:		Turnover		Net Worth		Cash Flow Capacity		Experience						Remarks
	Must represent more than 50% of Bidder's Net Worth		\$3.5 Million		Must be Positive for the last three years		\$6.0 Million		Experience In At Lease One Similar Contract In the Last Three Years (Value of \$7.0 Million)		Project Manager (1 staff) Five Years Experience	Technicians (3 staff) Five Years Experience	Design Engineer (1 staff) Five Years Experience		
1	No pending litigation	Pass	\$4.0 Million	Pass	+5.0 Million	Pass	\$6.6 Million	Pass	Three contracts (one contract valued at \$7.5 Million, one contract valued at \$6.0 Million, and one contract valued at \$5.5 Million)	Pass	1 staff with 7 years experience	3 staff (one with 7 yrs experience, one with 6 yrs experience, and 1 with 5 yrs experience)	1 staff with 10 years experience	Pass	Qualified
2	No pending litigation	Pass	\$4.1 Million	Pass	+3.8 Million	Pass	\$6.2 Million	Pass	Three contracts (one contract valued at \$7.3 Million, one contract valued at \$7.0 Million, and one contract valued at \$6.5 Million)	Pass	1 staff with 8 years experience	3 staff (all with five years experience)	1 staff with 8 years experience	Pass	Qualified
3	Pending litigation is equivalent to 10% of Net Worth	Pass	\$3.8 Million	Pass	+2.9 Million	Pass	\$6.1 Million	Pass	Two contracts (one contract valued at \$15.0 Million, one contract valued at \$6.0 Million, and one valued at \$5.5 Million)	Pass	1 staff with 7 years experience	3 staff (each staff with six years experience)	1 staff with 9 years experience	Pass	Qualified
4	No pending litigation	Pass	\$3.7 Million	Pass	+8.8 Million	Pass	\$6.1 Million	Pass	Three contracts (one valued at \$7.5 Million, one	Fail	1 staff with 6 years experience	only two staff (one with 5 years exp., one	1 staff with five years experience	Fail	Disqualified

Bidder No.	Pending Litigation:		Turnover		Net Worth		Cash Flow Capacity		Experience							Remarks
									valued at \$6.0 Million, and one valued at \$5.5 Million)			with 4 years experience)				
5	No pending litigation	Pass	\$3.9 Million	Pass	+7.5 Million	Pass	\$6.1 Million	Pass	Three contracts (one valued at \$7.5 Million, one valued at \$6.0 Million, and one valued at \$5.5 Million)	Fail	1 staff with 6 years experience	three staff (each staff with six years experience)	1 staff with five years experience	Pass	Disqualified	
6	No pending litigation	Pass	\$4.5 Million	Pass	+3.2 Million	Pass	\$6.5 Million	Pass	Three contracts (one valued at \$7.5 Million, one valued at \$6.0 Million, and one valued at \$5.5 Million)	Pass	1 staff with 7 years experience	three staff (each staff with eight years experience)	1 staff with eight years experience	Pass	Qualified	
7	No pending litigation	Pass	\$4.1 Million	Pass	Positive	Pass	\$6.2 Million	Pass	Three contracts (one valued at \$7.5 Million, one valued at \$6.0 Million, and one valued at \$5.5 Million)	Pass	1 staff with 6 years experience	three staff (each staff with seven years experience)	1 staff with seven years experience	Pass	Qualified	

Appendix 5

TABLE 3: SUBSTANTIVE RESPONSIVENESS OF BIDS (COMMERCIAL TERMS)

Sr. No.	Requirements	Bidding Doc. Reference	Bidder No.						
			1	2	3	4	5	6	7
1	Power of Attorney	Section I, Clause 22.3 Section II, ITB 22.3	C	C	C	C	C	C	C
2	Signature on Bid Form and Schedule	Section I, ITB 22.3 Section II, ITB 22.3	C	C	C	C	C	C	C
3	Joint Venture Agreement or Formal Intent to Enter into an Agreement	Section I, Clause 4.1	NA	NA	NA	C	NA	C	C
4	Eligibility (a) Bidder (b) Goods and Services	Section I, Clause 4 (See attachment to this Appendix)	C	C	C	C	C	C	
		Section I, Clause 5	C	C	C	C	C	C	
5	Bid Validity 180 days	Section I, Clause 20.1 Section II, ITB 20.1	C	C	C	C	C	C	C
6	Price Adjustment Method and Provisions	Section I, Clause 14.8, Section VIII, GCC 15.2 Section II, ITB 14.8	C	C	C	C	C	C	C
7	Terms of Payment	Section VIII, GCC 16.1	C	C	C	C	C	C	C
8	Functional Guarantees	Section VI	C	C	C	C	C	C	C
9	Major Equipment Maker	Section V	NI	xxxxx	xxxxx	NI	NI	xxxxx	xxxxx
			NI	xxxxx	xxxxx	NI	NI	xxxxx	xxxxx
			xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
			xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
10	Contract Execution Schedule Completion 21 months	Section VI	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	- 60MW Unit (18 months)		Yes	18	Yes	Yes	Yes	18	. Yes
	CONCLUSION		R	R	R	R	R	R	R

C - Complied, NC = Not Complied NA = Not Applicable
 R= Responsive NR = Not Responsive NI = Not Indicated; clarification will be required

DETAILS ON ELIGIBILITY OF BIDDERS

No.	Requirements	Bidding Documents Reference	Bidder No. 1	Bidder No. 2	Bidder No. 3	Bidder No. 4	Bidder No. 5	Bidder No. 6	Bidder No. 7
1	Single Entity or Joint Venture If Joint Venture, all partners must be jointly and severally liable.	Section 1, Clause 4.1	Single Entity	Joint Venture Partners are jointly and severally liable.	Single Entity	Single Entity	Single Entity	Joint Venture Partners are jointly and severally liable.	Single Entity
2	Bidder must be a national of an eligible ADB member country.	Section 1, Clause 4.2	X (Country name)	X and XX	X	X	XX	XX and XXX	XX
	Proposed subcontractors or Suppliers must be nationals of an eligible ADB member country.		XX (all from ADB member countries)	XXX (all from ADB member countries)	XX (all from ADB member countries)	XX (all from ADB member countries)	XXX (all from ADB member countries)	XXX (all from ADB member countries)	XXXX (all from ADB member countries)
3	Conflict of Interest	Section 1,	None	None	None	None	None	None	None
4	Declared Ineligible by ADB	Clause 4.3 Section 1, Clause 4.4	No	No	No	No	No	No	No
5	Government-owned enterprise in Employer's country to be legally and financially autonomous, operate under commercial law, and not dependent agency of the Employer.	Section 1, Clause 4.5	Not a govt. owned enterprise	Not a govt. owned enterprise	Not a govt. owned enterprise	Not a govt. owned enterprise	Not a govt. owned enterprise	Not a govt. owned enterprise.	Govt. owned enterprise legally & financially autonomous, and not a dependent agency of the Employer
6	Not having been declared ineligible based on a United Nations resolution.	Section 1, Clause 4.7	Not declared ineligible	Not declared ineligible	Not declared ineligible	Not declared ineligible	Not declared ineligible	Not declared ineligible	Not declared ineligible

Appendix 6

TABLE 4: SALIENT TECHNICAL FEATURES OF BIDS (TECHNICAL PROPOSALS)

Legend	Description
Yes	Fulfilled Scope of Works and/or Meets Required Specifications
FC	As above but the matter requires Further Clarification or Confirmation
NI	No Information provided in the bid.
No	Not Fulfilled Scope of Work or did Not Comply with Specifications

Section	Description	Bidder No 1	Bidder No 2	Bidder No 3	Bidder No 6	Bidder No 7
PART A	Boiler & Auxiliaries					
1	60 MW System					
-1	Pressure Part	FC	Yes	Yes	Yes	FC
	<input type="checkbox"/> Pipes, Tubes. Valves					
	<input type="checkbox"/> Boiler Safety Valves					
-2	Air & Waste Gas System					
	<input type="checkbox"/> Flue Gas Air Heater	Yes	Yes	Yes	Yes	Yes
	<input type="checkbox"/> ID Fan	Yes	Yes	Yes	Yes	Yes
	<input type="checkbox"/> Flue Gas Ducts	Yes	Yes	FC	FC	Yes
	<input type="checkbox"/> Others; Chimney Light	Yes	Yes	FC	Yes	Yes
	Dampers, Servo Motor					
-3	Steel Structures	Yes	Yes	Yes	Yes	Yes
-4	Fuel System					
	<input type="checkbox"/> Burners	Yes	Yes	Yes	Yes	Yes
	<input type="checkbox"/> - High & Low Pressure	Yes	Yes	Yes	Yes	Yes
	<input type="checkbox"/> Pumps & Piping					
-5	Chemical Injection System	FC	FC	FC	Yes	Yes
-6	Boiler Crane & Lift	Yes	Yes	Yes	Yes	Yes
-7	Insulation	Yes	Yes	Yes	Yes	Yes
-8	ID Fans					
	<input type="checkbox"/> Type Axial	Yes	Yes	Yes	Yes	Yes
	<input type="checkbox"/> - Capacity 252 x 103 m3/h	Y's	Yes	Yes	Yes	FC
-9	Instrumentation & Control	Yes	Yes	Yes	Yes	Yes
-10	Guaranteed Values					
	<input type="checkbox"/> - Flow Output 250 ton/h	Yes	Yes	Yes	Yes	Yes
	<input type="checkbox"/> Efficiency 90.5%	No	FC	Yes	Yes	Yes
II.	Turbine & Auxiliaries					
-1	Performance					
	<input type="checkbox"/> Maximum Continuous Rating 60 MW	Yes	Yes	Yes	Yes	Yes
	<input type="checkbox"/> Main Stem Temp. 535°C	Yes	NI	Yes	Yes	Yes
	<input type="checkbox"/> Final Feed Water Temp.	230.4	NI	222.3	220	224
	<input type="checkbox"/> Condensed Vacuum	0.09	VI	0.12	0.07	0.11
	<input type="checkbox"/> Cooling Water Temp. Max. 35 °C	Yes	NI	30	NI	Yes
	<input type="checkbox"/> Guaranteed Heat Rate 2,327 kcal/kWH	FC	FC	Yes	FC	FC
-2	Scope of Work					

Section	Description	Bidder No 1	Bidder No 2	Bidder No 3	Bidder No 6	Bidder No 7
2.1	Turbine lint					
	On Site Overhaul	Yes	NI	Yes	Yes	Yes
	- Off-site repair kW Rotor and LP Rotor	Yes	Yes	Yes	Yes	Yes
2.2	Lube Oil and lacking Oil System					
	- LO Cooler Tube Bundle	Yes	Yes	Yes	Yes	Yes
	- Lube Oil 12,000 L	Yes	Yes	Yes	Yes	Yes
	Bearings	Yes	Yes	Yes	Yes	Yes
	Jacking Oil System	Yes	Yes	Yes	Yes	Yes
2.3	Extraction Steam System &					
	Gland Sealing System	Yes	Yes	Yes	Yes	Yes
2.4	Condenser & Accessories	Yes	Yes	Yes	Yes	Yes
2.5	Steam and all inter					
	Connecting Pipe Works	Yes	Yes	Yes	Yes	Yes
2.6	Turbine Protection I & C System	Yes	Yes	Yes	Yes	Yes
III.	Steam & Water Cycle					
-1	Overhaul of Existing System	Yes	Yes	Yes	Yes	Yes
-2	Condensate Pumps - 2 sets	Yes	Yes	Yes	Yes	Yes
-3	Low Pressure Heaters	Yes	Yes	Yes	Yes	Yes
-4	Deaerator & Feed Water Tank					
	Feed Water Pump	Yes	Yes	Yes	FC	Yes
-5	High Pressure Heaters	Yes	Yes	Yes	Yes	Yes
-6	Feed Water Control Station	Yes	No	Yes	Yes	Yes
-7	Steam Pressure Reducing	Yes	Yes	Yes	Yes	Yes
-8	Stations - 4 Nos.					
	Instrumentation & Control	Yes	Yes	Yes	Yes	Yes
IV	Ancillary Equipment					
-1	Rehabilitation of Cranes in					
	Turbine House & CW Pump House	Yes	Yes	Yes	Yes	Yes
-2	Circulating Water System					
	Overhaul of CW Pumps	Yes	Yes	Yes	Yes	Yes
	Additional Spare Parts	Yes	No	Yes	Yes	Yes
	Corrosion Protection	Yes	No	Yes	Yes	Yes
-3	Hydrogen Cooling Water System					
	100% Tube of Heat Exchanges	Yes	FC	Yes	Yes	Yes
	CW Pump Shaft & Accessories	Yes	FC	Yes	Yes	Yes
-4	Air Conditioning System	Yes	Yes	Yes	Yes	Yes
V.	New Soot Blower System					
-1	Long Retractable Soot Blower (4 or 8 Nos.)	Yes	Yes	Yes	Yes	Yes
-2	Non Retractable Stint Blower	No	4	FC	8	8

Section	Description	Bidder No 1	Bidder No 2	Bidder No 3	Bidder No 6	Bidder No 7
			(Yes)		(Yes)	(Yes)
-3	Pressure Reducing Station with					
	Piping and VA	Yes	Yes	Yes	Yes	Yes
-4	Galleries and Stairs	Yes	Yes	Yes	Yes	Yes
VI.	Circulating Water Intake					
-1	Design Parameter					
	- Total Flow Rate 26,000 m ³ /h	Yes	NI	Yes	Yes	Yes
	- Flow through each Screen at	Yes	NI	Yes	Yes	Yes
	L.W.L. 6,500 m ³ /h					
	- Drift across Screen Max. 150mm	Yes	FC	Yes	Yes	Yes
	- Clogged Screen Area 25%	Yes	FC	Yes	Yes	Yes
-2	Scope of Work					
2.1	Travelling Band Screen 4 sets	Yes	Yes	Yes	Yes	Yes
2.2	Coarse Bar Screen 4 sets	Yes	No	Yes	Yes	Yes
2.3	Screen Back Wash Pumps 2 sets	Yes	Yes	No	Yes	Yes
2.4	Derrick Type Crane, 1 set of 3t	Yes	FC	No	Yes	Yes
2.5	Portable Sump Pumps, 2 sets	Yes	NI	Yes	Yes	Yes
2.6	All Civil Works	Yes	Yes	Yes	Yes	Yes
VII.	Electrical Equipment					
-1	6.6 kV Switchgear					
1.1	Overhaul of 6.6 kV Switchgear	Yes	Yes	Yes	Yes	Yes
1.2	Air compressor w/Accessories	Yes	Yes	Yes	Yes	Yes
-2	Battery - 60V and 110V					
2.1	250 AH Lead Acid Battery (110V)	FC	Yes	Yes	FC	Yes
2.2	90 AH Lead Acid Battery (60 V)	FC	Yes	Yes	FC	Yes
2.3	60V Battery Charger with Accessories	F'C	Yes	Yes	Yes	Yes
2.4	110V Battery Charger with Accessories	FC	Yes	Yes	Yes	Yes
-3	Power Transformers	Yes	Yes	FC	Yes	Yes
4	Generator					
4.1	Stator/Rotor	Yes	Yes	FC	Yes	Yes
4.2	Excitation System/AVR					
	- Field Breaker	Yes	Yes	FC	Yes	Yes
	- Overhaul P. System	FC	Yes	FC	Yes	Yes
4.3	Protection System					
	- Overhaul of P. System	FC	Yes	FC	Yes	Yes
	- Protection Relay and CT	FC	Yes	FC	Yes	Yes
	(5) Motors					
	5.1 6.6 kV Motor					
	Overhaul of Motor	FC	Yes	Yes	FC	Yes

Section	Description	Bidder No 1	Bidder No 2	Bidder No 3	Bidder No 6	Bidder No 7
	CTs and Ammeters	FC	Yes	Yes	FC	Yes
	5.2 0.4kV and DC Motors	Yes	Yes	Yes	Yes	Yes
-6	Lighting System					
	Boiler House	Yes	Yes	Yes	Yes	FC
	Cooling Water Pump House	Yes	Yes	Yes	Yes	FC
VIII.	I and C Equipment					
-1	PCOM Dual	Yes	Yes	Yes	Yes	Yes
1.1	Process Control Station	Yes	Yes	Yes	Yes	Yes
1.2	Operator interface Station	Yes	Yes	Yes	Yes	Yes
1.3	Communication System	Yes	Yes	Yes	Yes	Yes
1.4	Engineering Work Station	Yes	Yes	Yes	Yes	Yes
1.5	Printer	Yes	Yes	Yes	Yes	Yes
1.6	Control Desk	Yes	Yes	Yes	Yes	Yes
1.7	Backup Control Panel	Yes	Yes	Yes	Yes	Yes
1.8	DCS Furniture	Yes	Yes	Yes	Yes	Yes
1.9	Marshalling Rack	Yes	Yes	Yes	Yes	Yes
1.1	Uninterruptible Power Supply	FC	FC	FC	FC	FC
-2	PCOM Software	Yes	Yes	Yes	Yes	Yes
-3	PCOM Spare Parts and Consumables	Yes	Yes	Yes	Yes	Yes
-4	Training for PCOM	FC	FC	Yes	Yes	FC
-5	Pressure and Diff. Pressure Transmitters	Yes	Yes	Yes	Yes	Yes
-6	Pressure Gauges	Yes	Yes	Yes	Yes	Yes
-7	Temperature Instruments & Gauges	Yes	Yes	Yes	Yes	Yes
-8	Turbine Vibration Alarm System	Yes	FC	FC	Yes	Yes
-9	Turbine Shaft Displacement					
	Monitoring System	Yes	Yes	FC	Yes	Yes
PART B	Supporting System					
IX.	Hydrogen Generation Plant					
-1	Demolition of Existing System	Yes	Yes	Yes	Yes	Yes
-2	Main Cycle Equipment					
2.1	Requirements					
	Type: Electrolytic	Yes	Yes	Yes	Yes	Yes
	Type of Electrolyte	Yes	Yes	Yes	Yes	Yes
	NaoH (or) KOH					
	Production Rate: 8Nm ³ /h	Yes	Yes	Yes	Yes	Yes
	Quality:					
	Hydrogen 99%	Yes	Yes	Yes	Yes	Yes
	Oxygen<10 ppm	Yes	Yes	Yes	Yes	Yes
	Nitrogen <500 ppm	Yes	NI	Yes	Yes	Yes

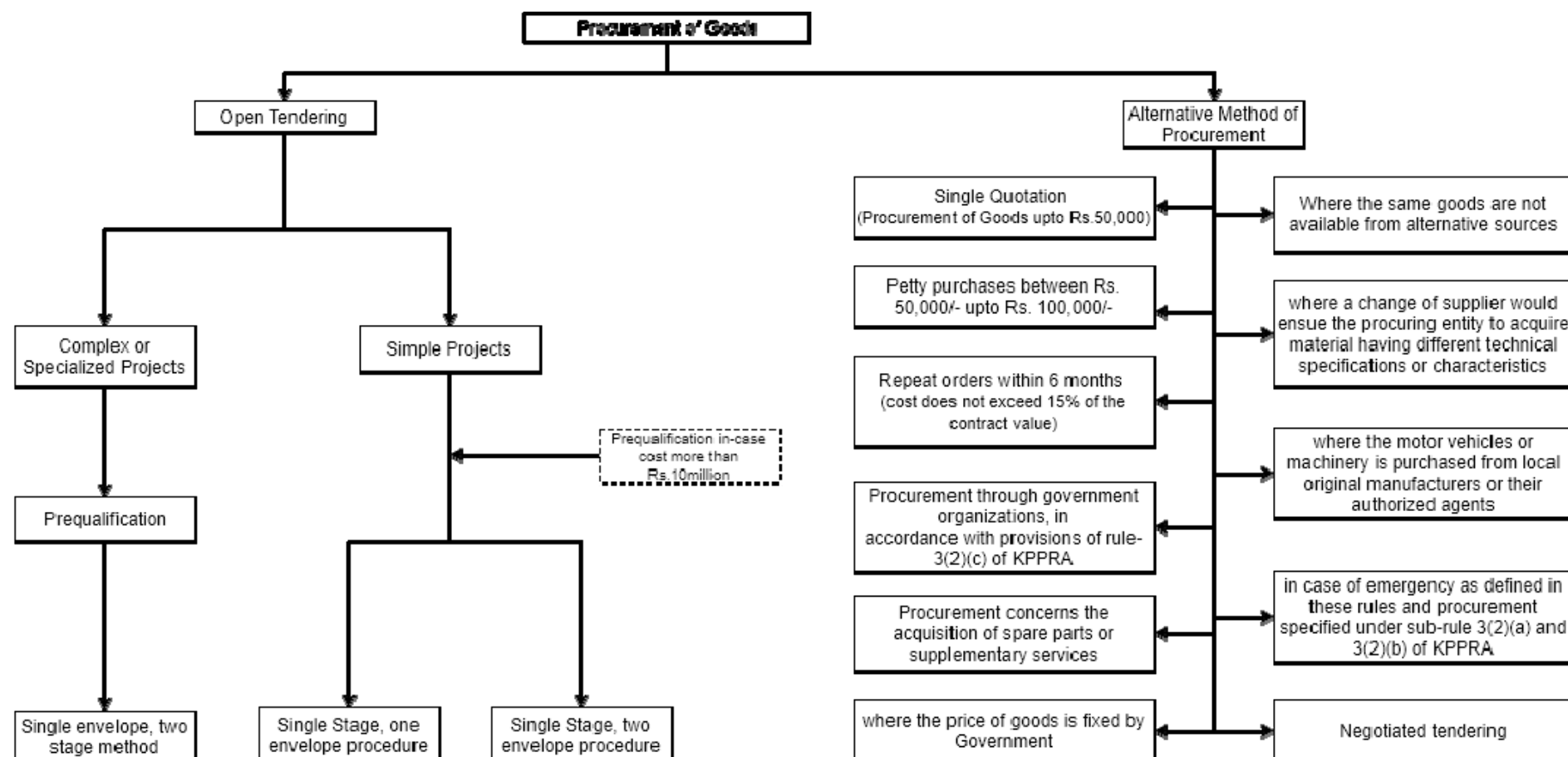
Section	Description	Bidder No 1	Bidder No 2	Bidder No 3	Bidder No 6	Bidder No 7
	Carbon Monoxide <10 ppm	Yes	NI	Yes	Yes	Yes
	Co2 <10 ppm	Yes	NI	Yes	Yes	Yes
	H2O <6.2 mg/Nm ³	Yes	NI	Yes	Yes	Yes
	Power Consumption<5 kwh/Nm ³	No	NI	Yes	Yes	Yes
	2.2 Electrolytic Cell	Yes	Yes	Yes	Yes	Yes
	2.3 Hydrogen Gas Compressors & Gas Dryer	Yes	Yes	Yes	Yes	Yes
	2.4 Gas Filling Station and					
	Gas Holders for 7 days Operation	Yes	Yes	Yes	Yes	Yes
-3	Electrical Equipment	Yes	Yes	Yes	Yes	Yes
4	Control & Instrumentation Equipment					
	Local Control Panel	Yes	NI	Yes	Yes	FC
	- Open Loop Control & Protection	Yes	NI	Yes	Yes	FC
-5	Closed Loop Control	Yes	NI	Yes	Yes	FC
	Chemical & Chemical Laboratory					
X.	Fire Fighting System					
-1	Overhaul of Existing System	Yes	Yes	Yes	Yes	Yes
-2	Water Storage Tank, Filling Pumps					
	& Pipe Works	Yes	Yes	FC	Yes	Yes
-3	Engine Driven Fire Pump	FC	FC	FC	FC	Yes
	w/Diesel Storage Tank (1 set)					
	(300 m ³ /h and 9.8 bar)					
-4	Motor Driven Jockey Pump (1 set)	Yes	Yes	Yes	Yes	Yes
	(10 m ³ /h, 9.8 bar)					
-5	Underground Fire Service Maitre	Yes	Yes	Yes	FC	FC
	(min. size 150mm, DCI pipes)					
-6	Yard Hydrants and Hose	Yes(16)	Yes(15)	Yes(16)	Yes(15)	Yes(14)
	Cabinets (min. 14 sets)					
-7	Standpipe Systems & Cabinets	Yes(35)	Yes(35)	Yes(36)	Yes(35)	Yes(37)
	(min. 35 sets)					
-8	Foam System for Tank Cooling	Yes	Yes	Yes	Yes	Yes
-9	Water Spray Fixed System for	Yes	Yes	Yes	Yes	Yes
	Transformers					
-10	Sprinkler System for Fire Fighting	Yes	Yes	Yes	Yes	Yes
	Pump Boom					
-11	Portable Fire Extinguishers &	Yes	Yes	FC	Yes	FC
	Wheeled Fire Extinguishers					
XI.	Water Treatment Plant					
-1	Pre-treatment Plant	Yes	Yes	Yes	Yes	Yes

Section	Description	Bidder No 1	Bidder No 2	Bidder No 3	Bidder No 6	Bidder No 7
	(Pumps & Blower)					
-2	Demineralized WT. Plant					
	Pumps and Blowers	Yes	Yes	Yes	Yes	Yes
	Sumps and Tanks	Yes	Yes	Yes	Yes	Yes
	Pipes and Valves	Yes	Yes	Yes	Yes	Yes
-3	Potable W.T. Unit 20m ³ /h &	Yes(20)	Yes(20)	Yes(20)	Yes(20)	Yes(25)
	Potable W/ Storage Tank 40m ³ Capacity	Yes	Yes	Yes	Yes	Yes
-4	General Replacements					
4.1	Chlorination Dosing Station	Yes	Yes	Yes	Yes	Yes
	2 No. Tank (2 m ³) & Pumps					
	4.2 Potable w/ Booster Pumps	Yes	Yes	Yes	Yes	Yes
	(25 m ³ /h, 30m & Eff. 70%)	(Eff. 74%)	(Eff. 70%)	NI	(Eff. 72%)	(Eff. 70%)
4.3	Potable W/Transfer Pumps	Yes	Yes	Yes	Yes	Yes
	(20 m ³ /h, 40m & Eff. 70%)	(Eff. 74%)	(Eff. 70%)	NI	(Eff. 72%)	(Eff. 70%)
4.4	Neutralization Pumps	Yes	Yes	Yes	Yes	Yes
	(120m ³ /h, 20m Eff. 70%)	(Eff. 75%1)	(Eff. 75%)	NI	(Eff. 76%)	(Eff. 75%)
-5	Chemical Laboratory (1 Lot)	Yes	Yes	Yes	Yes	Yes
-6	Instrumentation & Control	Yes	Yes	Yes	Yes	Yes
-7	Electrical	Yes	Yes	Yes	Yes	Yes
XII.	Rehabilitation of Fuel, Steam					
	& Condensate Line to/from					
	the Fuel Tank Farm					
	- F.O Low Pressure Pipes	Yes	Yes	Yes	Yes	Yes
	Diesel Oil Pipes	Yes	Yes	Yes	Yes	Yes
	- Steam Pipes and Insulation	Yes	Yes	Yes	Yes	Yes
	Valves	Yes	Yes	Yes	Yes	Yes
	- Condensed Line and Insulation	Yes	Yes	Yes	Yes	Yes
	Condensate Pumps 2/15m ³ /h	Yes	Yes	Yes	Yes	Yes
XIII.	Miscellaneous Rehabilitation Works					
-1	Corrosion Protection of Building (29,000 m ²)	Yes	Yes	Yes	Yes	Yes
-2	Turbine House Roof (5,000 m ²)	Yes	Yes	Yes	Yes	Yes
-3	Renovation of Administrative Building	Yes	Yes	Yes	Yes	Yes
-4	Mobile Equipment					
	- Fork Lifts (2 units)	Yes	Yes	Yes	Yes	Yes
	- Mobile Crane (1 unit/20t)	Yes	Yes	Yes	FC	Yes

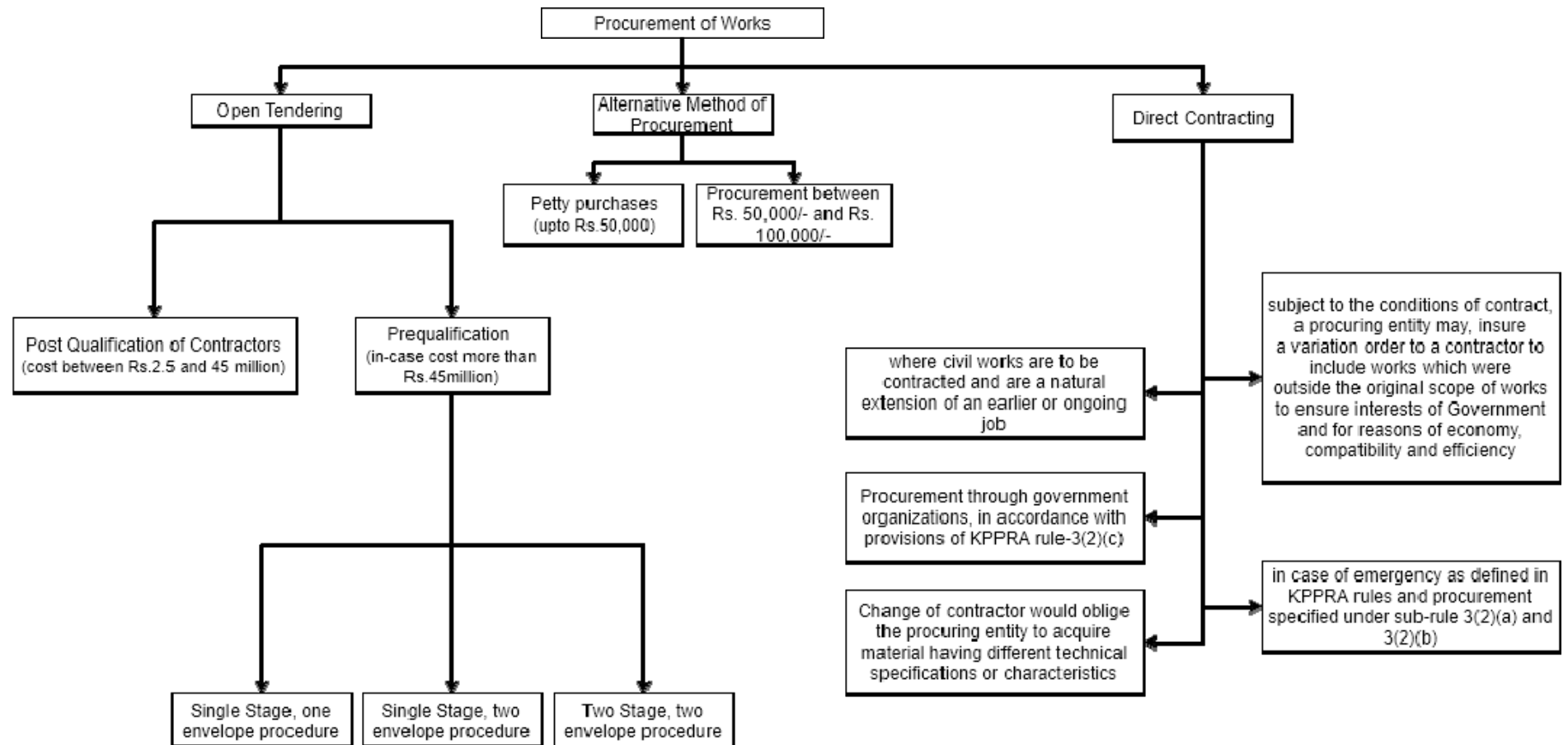
Section	Description	Bidder No 1	Bidder No 2	Bidder No 3	Bidder No 6	Bidder No 7
	Trucks (2 unit/5t)	Yes	Yes	Yes	FC	Yes
-5	Tools & Measurement Devices					
	Ultrasonic Wall Thickness	Yes	Yes	Yes	Yes	Yes
	Measurement Device (40-50mm)					
	- Noise & Vibrating Testing Set	Yes	Yes	Yes	Yes	Yes
	- Dryfilm Painting Thickness Gauge	Yes	Yes	Yes	Yes	Yes
XIV.	Store Control					
	Computers and Software	Yes	Yes	Yes	Yes	Yes
	Printers	Yes	Yes	Yes	Yes	Yes
	- Packing Equipment for Spare parts	Yes	Yes	Yes	Yes	Yes
	Office Equipment	Yes	Yes	Yes	Yes	Yes
XV.	Electrical Equipment					
-1	132 kV Equipment					
1.1	132 kV Circuit Breakers					
	- Arc Quenching Medium SF6	Yes	Yes	Yes	Yes	Yes
	Rated Operating Sequence	Yes	Yes	yes	Yes	Yes
	- Rated Current at 40 ⁰ C-2,000A	Yes	Yes	Yes	Yes	Yes
	Rated Breaking Capacity	Yes	Yes	Yes	Yes	Yes
	at 132kV – 10,000 MVA					
1.2	132 kV Isolator					
	- Rated Current at 40 C-2000A	Yes	Yes	Yes	Yes	Yes
40kA	- Rated Short Time Current (1s)	Yes	Yes	Yes	Yes	Yes
1.3	Current Transformers	Yes	Yes	Yes	Yes	Yes
	Current Ratio	Yes	Yes	Yes	Yes	Yes
	600/1200/2400/1/5A					
	- Rated Primary Short Time	Yes	Yes	Yes	Yes	Yes
	Thermal Current (1s) 40 kA					
	Rated Primary Dynamic	Yes	Yes	Yes	NI	Yes
	Current 90 kA					
-2	Surge Diverters					
	132 kV Surge Diverters	Yes	Yes	Yes	Yes	Yes
	33 kV Surge Diverters	Yes	Yes	Yes	Yes	Yes
	6.6 kV Surge Diverters	Yes	Yes	Yes	Yes	Yes
-3	Current Transformers	Yes	Yes	Yes	Yes	Yes
-4	Voltage Transformers	Yes	Yes	Yes	Yes	Yes
	(6.6 & 11kV)	Yes	Yes	Yes	Yes	Yes
-5	Power Cables 6.6kV	Yes	Yes	Yes	Yes	Yes
XVI.	Training of Employer's Personnel					
(I)	Training at the Plant (approx. 30 Trainees)	Yes	Yes	Yes	Yes	Yes

Section	Description	Bidder No 1	Bidder No 2	Bidder No 3	Bidder No 6	Bidder No 7
	for 12 Weeks (360 man-weeks)					
-2	Training outside the Purchaser's Country	Yes	Yes	Yes	Yes	Yes
	Approx. 12 Trainers for 12 Weeks					
	(144 person weeks)					
XVII.	Instrumental & Control					
-1	Communication System					
	PABX (250 Line)	Yes	Yes	Yes	Yes	FC
	Telephone (200 Nos.)	Yes	Yes	Yes	Yes	FC
	Intercom System for 50 Speakers	Yes	FC	Yes	Yes	FC
	Loudspeakers (40 No.,)	Yes	FC	Yes	Yes	FC
-2	Fire Alarm System					
2.1	Main Fire Alarm Panel (1 No.)	Yes	Yes	Yes	Yes	Yes
2.2	Deluge Panel (4 Nos.)	Yes	Yes	Yes	Yes	Yes
2.3	Still-Panels (6 Nos.)	Yes	Yes	Yes	Yes	Yes
2.4	Fire Alarm Detectors (250 Nos.)	Yes	Yes	Yes	Yes	Yes
2.5	Cables	Yes	Yes	Yes	Yes	Yes
2.6	Spareparts	FC'	FC	FC	FC	FC

Annexure 6



Annexure 7



Annexure 8

