



**Nurturing Women Empowerment**

# **Procurement Manual**

**Revised Version**

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## ABBREVIATION AND ACRONYMS

BISP	Benazir Income Support Programme
GoP	Govt. of Pakistan
TORs	Terms of Reference
EOI	Expression of Interest
PPRA	Public Procurement Regulatory Authority
PPR 2004	Public Procurement Rules, 2004
DFID	Department for International Development
USAID	United States Agency for International Development
RFP	Request for Proposal
PAO	<i>Principal Accounting Officer</i>
PEC	Procurement Evaluation Committee
SOP	Standard Operating Procedure
BOQ	Bill of Quantities
IFB	Invitation for Bids
GRIR	Goods Receiving & Inspection Report
NTN	National Tax Number
GST	General Sales Tax
NOC	No Objection Certificate
STEP	Systematic Tracking of Exchanges in Procurement

## Definitions

- (a) “bid” means a tender, or an offer, in response to an invitation, by a person, consultant, firm, company or organization expressing his or its willingness to undertake a specified task at a price;
- (b) “bidder” means a person who submits a bid;
- (c) “blacklisted” means a bidder that is declared by the PPRA untrustworthy after establishing the fact that the bidder was found involved in any corrupt and fraudulent practice or practices; or if the bidder is declared incapable by the Authority due to its established performance failure during the execution of the contract; or if the bidder deviates from its prior commitment or declaration made regarding the bid or proposal submitted by the bidder.
- (d) “call off order” means an order placed by a procuring agency under general terms and pricing on a range of goods under closed framework agreement, without having to negotiate terms every time.
- (e) “closed framework agreement” means an agreement with specified terms and conditions with an agreed price;
- (f) “competitive bidding” means a procedure leading to the award of a contract whereby all the interested persons, firms, companies or organizations may bid for the contract and includes both national competitive bidding and international competitive bidding;
- (g) “contractor” means a person, consultant, firm, company or an organization who undertakes to supply goods, services or works;
- (h) “contract” means an agreement enforceable by law;
- (i) “corrupt and fraudulent practices” in respect of procurement process, shall be either one or any combination of the practices including:-
  - a. “coercive practices” which means any impairing or harming or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party;
  - b. “collusive practices” which means any arrangement between two or more parties to

(Placeholder1)the procurement process designed to stifle open competition for any wrongful gain, and to establish prices at artificial, non-competitive levels;

- c. “corrupt practices” which means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the acts of another party for wrongful gain;
- d. “fraudulent practices” which means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; and
- f. “obstructive practices” which means harming or threatening to harm, directly or indirectly, persons to influence their participation in a procurement process, or affect the execution of a contract;
- g. “cross debarred” means a bidder debarred by any procuring agency shall be considered as debarred by all the procuring agencies.
- (j) “emergency” means natural calamities, disasters, accidents, war and operational emergency which may give rise to abnormal situation requiring prompt and immediate action to limit or avoid damage to person, property or the environment
- (k) “e-Procurement” means use of information and communication technologies or digital or electronic means for procurement process;
- (l) “force account” means execution of procurement of small works and non- consultancy services through direct contracting with any state-owned entity having resources to perform that particular assignment subject to ascertaining that it is cost and time effective;
- (m) “framework agreement” means a contractual arrangement which allows a procuring agency to procure goods, services or works that are needed continuously or repeatedly at agreed terms and conditions over an agreed period of time, through placement of a number of orders;]
- (n) “most advantageous bid” means,-
  - a. a bid or proposal for goods, works or services that after meeting the eligibility or qualification criteria, is found substantially responsive to the terms and conditions as set out in the bidding or request for proposals document; and
  - b. evaluated as the highest ranked bid or proposal on the basis of cost or quality

or qualification or any combination thereof, as specified in the bidding documents or request for proposal documents which shall be in conformity with the selection techniques to be issued by the Authority;

- (o) “Open framework agreement” means an agreement with specified terms and conditions without an agreed price;
- (p) “Ordinance” means the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002);
- (q) “repeat orders” means procurement of the same commodity from the same source without competition and includes enhancement of contracts;
- (r) “supplier” means a person, consultant, firm, company or organization who undertakes to supply goods, services or works;
- (s) “unsolicited project proposal” means any proposal containing a unique and innovative idea and approach, and the same is not submitted in response to any procurement request, however is aligned with the mission and objectives of the procuring agency and is subject to competitive selection process by soliciting counter proposals challenging the initiator’s proposal in all the technical and financial aspects; and
- (t) “value for money” means best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the procuring agency’s requirements.
- (u) The definitions stated above shall carry the same meaning as contained in PPRA Rules, 2004. For the purpose of clarity PPRA Rules, 2004 shall be consulted



## Introduction

Various Ministries, attached Departments and subordinate offices, Public Sector Enterprises and other Governments (including autonomous bodies), spend a sizable amount of their budget on the procurement of Goods, Works and Services to discharge the responsibilities and duties assigned to them.

The Ministries/departments have been delegated powers to make their own arrangements for procurement of goods under the Public Procurement Regulatory Authority Ordinance, 2002 and the Rules framed there under, which have to be exercised in conformity with this Manual for Procurement and the same has to be treated an additional document having a supplementary nature and in case of inconsistency with the statutory provisions, rules, financial, vigilance, security, safety, counter-trade and other regulations, orders, legislations, and guidelines enacted, passed and sanctioned by the Government on the subject of public procurement than the same shall be prevailed.

As such, without purporting to be a comprehensive compendium of all such procurement guidelines this procurement manual is intended to serve as a portal to enter this vast area and draw attention to basic norms and practices governing public procurement by BISP being a body corporate established through Benazir Income Support Programme (BISP), Act 2010 (Act XVIII of 2010). Therefore, this manual provides guidance on procurement policies and procedures to harmonize procurement approaches and encouraging consistency whereby efficiency may be enhanced.

More so, it clarifies the principle of segregation of responsibilities between Implementing Wings/Sections and the Procurement Wing of BISP by specifying several, separate and distinct functions under the overall procurement cycle. Moreover, cooperation between the Implementing Wings/Sections and the Procurement Wing will ensure value addition in the processes.

Nevertheless, the processes defined in this Manual shall remain mutatis mutandis applicable with the provisions of the Financing/Project/Implementing agreements that BISP and/or Govt. of Pakistan either have signed or shall sign for the functioning of BISP.

Contents of this manual will not take precedence over constitution or any Law of Pakistan or Rules and Regulations enforced by the Federal Government or any international body. However, contents of this manual will take precedence over other policies, procedures, guidelines, instructions and practices followed at BISP or any other organization, issued till to date

## **CHAPTER - 1**

### **Objectives of the Manual**

Procurement is the most important process *for* the execution of a project or operations. Most of the time success of a project is dependent upon the successful and timely completion of procurement processes which, supplements the execution of a project. Efficient Procurement can therefore have a significant impact on the success of a project.

Considering the pivotal role of procurement in BISP's operations, the objective of this Manual is to provide a basis for effective decision-making in line with principles of procurement i.e., economy, efficiency and transparency to help in achieving organizational goals besides value for money.

The broad objectives of the Procurement Manual are to assist BISP's Management with regard to the following areas:

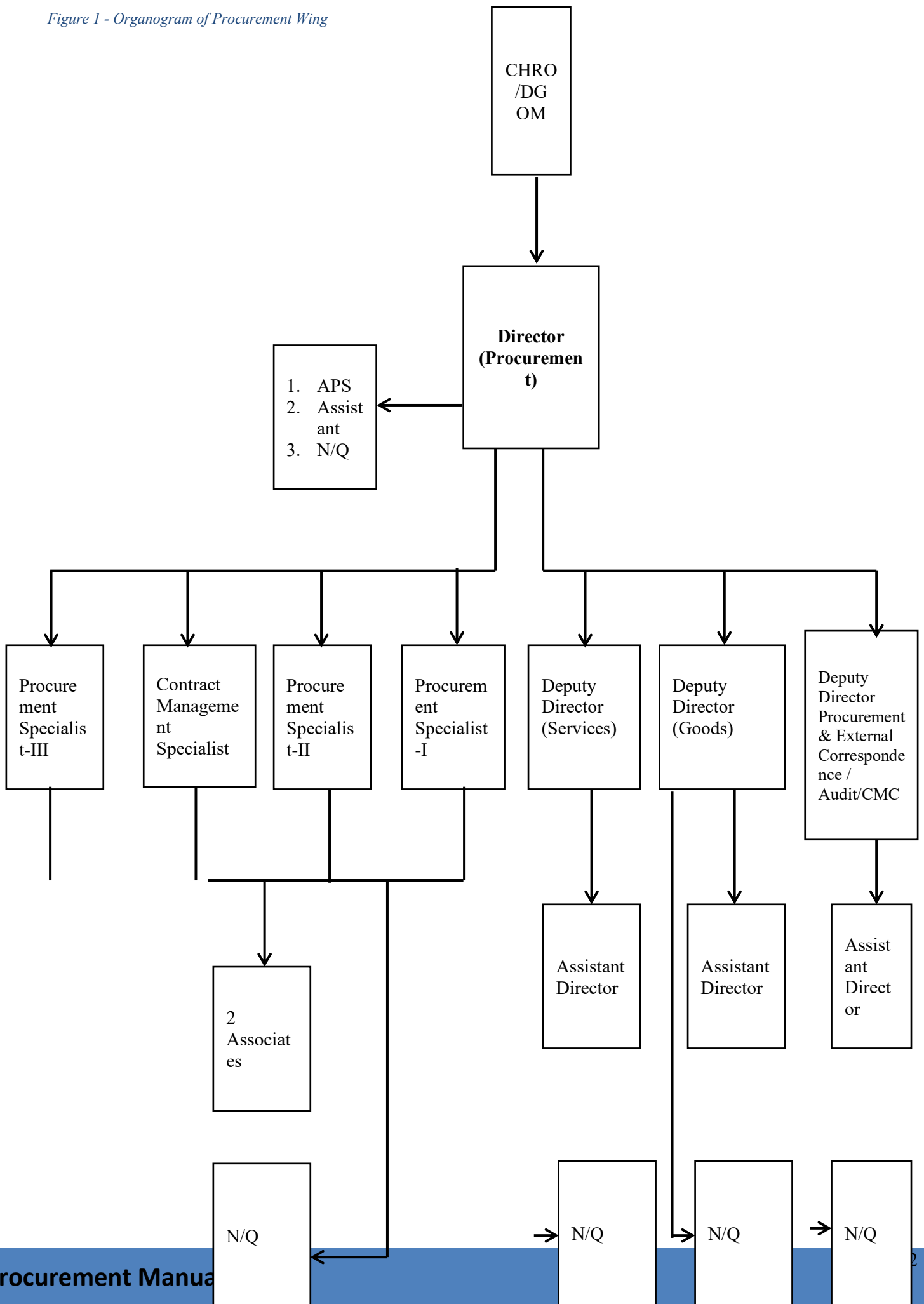
- A framework for effective decision-making in the area of Procurement & Contract Management.
- Consistent, fair and transparent interpretation of Procurement Policies for all Procurements.
- To make the operations of the BISP successful through timely, efficient and effective procurement and contract management.
- To avoid/*handle* any conflict/*grievance*/*complaint*.

## **CHAPTER – 2**

### **Procurement Wing**

To administer, all types of procurements, a dedicated Procurement Wing is established in BISP. This Wing is directly responsible for procurements of goods and services under BISP's various Programs/Initiatives. The Procurement Wing is headed by Additional Director General (Procurement)/ Director Procurement who directly reports to the Principal Accounting Officer, BISP through Director General (Operations and Management) per Organogram given below:-

Figure 1 - Organogram of Procurement Wing



## Core Responsibilities of Professionals:

### Additional Director General (ADG)/Procurement/Director (Procurement)

The ADG (Procurement) /Director (Procurement) shall be the person in charge of all the Procurement activities of the BISP. S/he will work under the direct supervision of the Principal Accounting Officer, BISP through Director General (Operations and Management) and will be responsible to provide assistance, technical guidance and capacity building with regard to:-

- Compliance with Public Procurement Rules of the Public Procurement Regulatory Authority and International Development Partners/Donor Agencies such as the World Bank, Asian Development Bank, DFID, and USAID etc. for GOP and Donor supported projects for procurement of goods and services.
- Preparation/Updation of Procurement Manual in accordance with Procurement Rules, Regulations and Guidelines of PPRA and International Development Partners/Donor Agencies for effective procurement and contract management.
- ADG (Procurement) /Director (Procurement) will have close coordination and communication with all the Wings/Units of BISP at HQ and other key stakeholders as appropriate. S/he will be responsible for the implementation of all procurement-related policies and decisions. Liaison with field offices will be maintained through Director (Field Admin).

### Deputy Director (Goods & Services)

The DD (Goods & Services) shall be the person who will work under the direct supervision of the ADG (Procurement) /Director (Procurement), and will be responsible to provide assistance, to ADG (Procurement) /Director (Procurement) with regard to:-

- Preparation of Annual Procurement Plan in consultation with BISP Wings/Sections and field offices.
- Follow up with the Wings/Sections for timely initiation of Procurement Activities included in the Procurement Plan.
- To maintain/ update the procurement plan on the BISP website and PPRA website.
- To maintain/ update the procurement plan on STEP and other Donors' websites, as the case may be.
- Assist ADG Procurement/Director Procurement in the Preparation/updation of the Procurement Manual in accordance with the Procurement Rules, Regulations and Guidelines of PPRA and International Development Partners/Donor Agencies for effective procurement and contract management.
- Act as a Focal Person for coordination with outside agencies pertaining to procurement activities including Development Partners NAB, PPRA, etc.
- Act as a Focal Person of the Procurement Wing to coordinate and provide the requisite data/information to the Development Partners.

- To ensure smooth functioning of all procurement activities other than Preparation of Bidding Documents(EOI, RFP, ITB etc.), Preparation of Procurement Evaluation Reports and Contract Formulation which are to be processed in consultation with respective Procurement Specialists.
- Procurement activities include but are not limited to the following:
  - Ensure that requirements received in the wing are included in the procurement plan.
  - To ensure that requirements are received as per the standard format, specifications are generic without direct relevance to any particular brand name.
  - To ensure that prior to initiation of procurement activity, the budget is allocated by the F&A wing for respective requirements duly approved by the competent authority.
  - Record keeping of procurement files with the assistance of a record keeper.

### **Deputy Director (Contract Management)**

- Act as a Focal Person for coordination with Internal Auditors, External Auditors, Fiduciary assessment firm(s) etc., to provide the relevant information and record for Auditing purposes.
- To furnish timely replies to Audit Authorities and ensure follow-up actions.
- To obtain Bank Guarantees from suppliers and their confirmation from respective banks.
- Reporting of contracts to NAB and PPRA as per prescribed limit.
- All post-contract activities including amendments in the contract, dispute resolution, disciplinary action against firms, encashment/release of Bank Guarantees and all related tasks after signing of a contract in consultation with the contract management specialist.
- To provide input to user wings in all cases pertaining to imposition/waiver of Liquidated Damages; processed for approval of the competent authority.
- To provide all types of records to relevant wings, outside organizations and Donors, whenever required.
- Act as a focal person from the procurement wing to render all sorts of Reports>Returns including service correspondence, presentations, maintenance/upkeep of office space/office equipment and other day-to-day requirements of the wing.
- To ensure maintenance of records until 5 years as stipulated under PPRA Rules through Record Keeper.
- To ensure disposal of old procurement records for more than 5 years other than open files, any record under Audit Objection, inquiry etc.
- To assist user wings in the processing of cases for the release of payments.
- To ensure that all cases processed by user wings for the release of payments are in order at least confirming the following parameters:
  - Reference to the initial user wing requirement
  - Reference to the approval of competent authority for the award of contract
  - Reference to the contractual payment clause

- Reference to stock register entry by Admin wing
- The case is properly flagged, tagged, and page numbered, Noting Paras are in sequence, reference is made to invoice, delivery Challan, and inspection report with both relevant Page Numbers and Flags.
- To render advice/input on all cases pertaining to contractual / post-contractual matters in consultation with Contract Management Specialist.

## Procurement Specialist - I

S/he will work under the direct supervision of the ADG (Procurement)/Director Procurement and will be responsible for the procurement of Goods, including but not limited to IT/other office equipment, furniture/fixtures, printing and other related tasks. The incumbent will serve as the consultant for developing & updating all procurement procedures for goods under the project and will provide support to the organization in the development of standard bidding documents & procedures in line with the requirements of the Public Procurement Regulatory Authority & other donor agencies for procurement of goods. The Procurement Specialist will ensure compliance with Public Procurement Rules, 2004 of the Public Procurement Regulatory Authority and the Donors such as the World Bank, Asian Development Bank, USAID, DFID etc. for GOP and Donor funded projects related to the procurement of goods and assist in the improvement/implementation of the procurement processes and procedures.

*The Procurement Specialist will perform, the following tasks:*

- Carry out the overall responsibility for all the Procurement & Contract Management functions at BISP HQ and the Provincial/Regional, Divisional and Tehsil Offices
- Proper documentation of all procurements as per the instruction; of the Government of Pakistan, World Bank and/or other donors; including selection and preparation of Standard Documents/formats prescribed for various stages of procurement
- Get well acquainted with the Operations Manuals and all the strategic documents of BISP initiatives to understand the BISP initiatives' concepts, designs and implementation mechanisms;
- Maintaining close liaison with all the implementing wings/partners of BISP regarding the updation of Procurement Manual/Plans on regular basis and fostering smooth communication and efficient procurement & contract management
- Receives and reviews Purchase Request (PR) in accordance with the plan and budget from wings/cells and Field Offices and facilitate
- Facilitate the preparation of Terms of Reference (TOR), Specifications, Evaluation Criteria etc. by the respective end-user wings;
- Preparation of Invitations for Bids, Pre-qualification and Requests for Expression of Interest Notices as the case may be,
- Preparation of Bidding Document/Request for Proposals (RFP);
- Conducting pre-bid/proposal meetings, responding to queries and amendments to the bidding document/RFP;

- Convening bids, technical and financial proposals opening and maintaining records;
- Shortlisting of vendors/consultants, evaluation of; bids, technical & Financial proposals, preparing reports and addressing queries if any;
- Convening contract negotiation meetings and drafting minutes issuing notification of award;
- Updating procurement plan including the online links of the PPRA/Donor Agencies and keeping track of procurement events;
- Preparation of Requests for Quotations, Evaluation of Quotations and issuance of supply orders;
- Manage the complete procurement cycle for agreed/ planned procurement activities;
- Liaise and coordinate with the World Bank and its supervision missions;
- Developing procurement database in close consultation with the implementing wings. This database envisages the entire range of procurement-related aspects of the project including quoted prices of goods, contract cost, charge rates, the performance of consultants, issues arising during implementation and procurement cycles, updating contract rosters, etc.
- Assesses procurement implications of project design, evaluates institutional capacities, develops suitable procurement plans and employs appropriate methodologies for handling simple and complex procurement tasks and/or issues;
- Resolves procurement and contract-related issues in conforming to BISP's respective Wings and suggests corrective measures;
- Supports the procurement team in any other related matters pertaining to transactions and procurement reform;
- Responds adequately and timely to audit queries;
- Provide assistance to the Director Procurement in the following areas related to his/her assignment: -
  - Looking after the level of transparency in the procurement process;
  - Dispute Resolution;
  - Reviewing the whole supply chain and identification of any gaps and their plugging measures;
  - Assessing and identifying the risks like institutional, political, organizational, procedural, etc. that may negatively affect the ability of the agency to carry out the procurement process;
  - Managing the process of procurement complaint resolution;
  - Conducting Post Review Procurements and ensuring all requirements as per the Bank's Procurement Guidelines are met;
- Perform any other duties as assigned by the immediate supervisor and Senior Management.

### **Procurement Specialist – II**

S/he will work under the direct supervision of the ADG (Procurement)/Director Procurement and



will be responsible to execute Consultant Services' Procurement. The incumbent will serve as the consultant for developing & updating all procurement procedures for consultant services under the project and will provide support to the organization in the development of Standard Request for Proposals & protocols in line with the requirements of the Public Procurement Regulatory Authority & other donor agencies for procurement of consulting services. The Procurement Specialist will ensure compliance with Public Procurement Rules, Regulations and Guidelines of the Public Procurement Regulatory Authority and the Donors Agencies such as the World Bank, Asian Development Bank, USAID, and DFID etc. for GOP and Donor funded projects related to the Procurement of consultant services and assist in the improvements/implementation of the procurement processes and procedures.

The Procurement Specialist will perform, the following tasks:

- Carry out the overall responsibility for all the Procurement & Contract Management functions at BISP HQ and the Provincial/Regional, Divisional and Tehsil Offices
- Proper documentation of all procurements as per the instruction; of the Government of Pakistan, World Bank and/or other donors; including selection and preparation of Standard Documents/formats prescribed for various stages of procurement
- Get well acquainted with the Operations Manuals and all the strategic documents of BISP initiatives to understand the BISP initiatives' concepts, designs and implementation mechanisms;
- Maintaining close liaison with all the implementing wings/partners of BISP regarding the updation of Procurement Manual/Plans on regular basis and fostering smooth communication and efficient procurement & contract management.
- Receives and reviews Purchase Request (PR) in accordance with the plan and budget from wings/cells and Field Offices and facilitate
- Facilitate the preparation of Terms of Reference (TOR), Specifications, Evaluation Criteria etc. by the respective end-user wings;
- Preparation of Invitations for Bids, Pre-qualification and Requests for Expression of Interest Notices as the case may be,
- Preparation of Bidding Document/Request for Proposals (RFP);
- Conducting pre-bid/proposal meetings, responding to queries and amendments to the bidding document/RFP;
- Convening bids, technical and financial proposals opening and maintaining records;
- Shortlisting of vendors/consultants, evaluation of; bids, technical & Financial proposals, preparing reports and addressing queries if any;
- Convening contract negotiation meetings and drafting minutes issuing notification of award;
- Updating procurement plan including the online links of the PPRA/Donor Agencies and keeping track of procurement events;
- Preparation of Requests for Quotations, Evaluation of Quotations and issuance of supply orders;
- Manage the complete procurement cycle for agreed/ planned procurement activities;

- Liaise and coordinate with the World Bank and its supervision missions;
- Developing procurement database in close consultation with the implementing wings. This database envisages the entire range of procurement-related aspects of the project including quoted prices of goods, contract cost, charge rates, the performance of consultants, issues arising during implementation and procurement cycles, updating contract rosters, etc.
- Assesses procurement implications of project design, evaluates institutional capacities, develops suitable procurement plans and employs appropriate methodologies for handling simple and complex procurement tasks and/or issues;
- Resolves procurement and contract-related issues in conforming to BISP's respective Wings and suggests corrective measures;
- Supports the procurement team in any other related matters pertaining to transactions and procurement reform;
- Responds adequately and timely to audit queries;
- Provide assistance to the Director Procurement in the following areas related to his/her assignment: -
  - Looking after the level of transparency in the procurement process;
  - Dispute Resolution;
  - Reviewing the whole supply chain and identification of any gaps and their plugging measures;
  - Assessing and identifying the risks like institutional, political, organizational, procedural, etc. that may negatively affect the ability of the agency to carry out the procurement process;
  - Managing the process of procurement complaint resolution;
  - Conducting Post Review Procurements and ensuring all requirements as per the Bank's Procurement Guidelines are met;
- Perform any other duties as assigned by the immediate supervisor and Senior Management.

### **Contract Management Specialist**

S/he will work under the direct supervision of the ADG (Procurement)/Director Procurement and will be responsible to look into the contract management-related issues in order to ensure that all parties under the contractual obligations meet their tasks and responsibilities as efficiently and effectively as possible in delivering the services as per terms and conditions of the contract. The incumbent will serve as the consultant for developing & updating all contract management procedures and will provide support to the organization in the development of standard contract administration/management documents & protocols in line with the requirements of the Public Procurement Regulatory Authority & other donor agencies for contract management. The Contract Management Specialist will ensure compliance with contractual terms & conditions in line with the requirements of Public Procurement Rules and Regulations, prescribed by the Public Procurement Regulatory Authority and Donors Agencies such as World Bank, Asian Development Bank, USAID, DFID etc, for its Borrowers/Partners. This requires close coordination and communication with all the Wings/Units of BISP at HQ and Provincial, Regional & Tehsil Offices, representatives from primary stakeholder, external consultants and field staff. S/he will develop

all contract administration / management procedures and implementation thereof which shall serve as the basis for all managerial decisions.

The Contract Management Specialist will be assigned the following tasks:

- Get well acquainted with all the strategic documents of BISP initiatives to understand the BISP initiatives concepts, designs and implementation mechanisms;
- Strengthen the contract management capacity of BISP in the execution of contracts through the provision of contract management expertise advice and support;
- Assist in overall technical and financial management and administration of the contracts during implementation;
- Develop appropriate contract management tools, guidelines and manuals for standardization and knowledge-sharing purposes;
- Documentation of all the contract agreements as per the instructions of the Government of Pakistan and the World Bank including preparation of Standard Documents/formats for various stages of contract implementation/administration;
- Maintaining close liaison with all the implementing wings/partners of BISP regarding updates of Contract Management Documentation on regular basis and fostering smooth communication and efficient contract management;
- Oversee that all contract correspondences and actions are made in compliance with the relevant contract agreements, stipulations, documents and international standards in a timely manner;
- Convening contract negotiation meetings and drafting /issuing minutes;
- Collaborate with other wings/sections/offices of BISP and have regular consultations with them in order to ensure coherent documentation, planning procedures and expected deliverables for the technical work of various assignments/ projects;
- Develop and implement systems for internal control that would ensure compliance with contractual terms and conditions, in collaboration with the user/operations team;
- Advise regarding the time schedule of ongoing projects and generate alerts for potential delays and suggest remedial measures as and when required;
- Advise on the contractual matters regarding mobilization advance, bank guarantee/performance guarantee, an extension of time, interim payment certificate, the default of contractors and final payment certificate as per contract;
- Monitoring the progress of contract implementation based on the implementation plan. Promptly convey information to the user wing about any and every significant alteration, slippage of timelines, reasons for that alteration / slippage and its impact on overall Program objective, contract completion and present proposals for remedy actions;
- Negotiate with vendors/consultants/consulting firms on the implementation of assigned activities;
- Review contract schedules, deliverables/reports, payments' requests, monitoring reports, change orders, contract amendments/addenda, contract extensions/closures, budget revisions, course corrections etc. related to all the contract agreements;
- Provide day-to-day active technical support and advice as related to contracts management and their administration;

- Monitor progress of contracts implementation to ensure that it abides by the stipulated standards, procedures and planned time table;
- Make recommendations for payments upon review of reports and comments from the user / operations team;
- Monitor and analyze contract performance against agreed benchmarks and through agreed reporting mechanism. Advise on any potential issues and recommend remedial actions or solutions;
- Negotiate within the terms and conditions of the contract, solutions to conflicts/problems arising in case of poor performance or non-compliance with contractual obligations;
- Provide technical leadership for the first-stage resolution in case of any dispute that BISP may have with vendors/ consultants on any certification, determination, instruction, opinion or valuation related to the contact(s);
- Frequently convene meeting with contractors to allow ample opportunity for the identification and early resolution of potential disputes;
- Liaise and coordinate with the World Bank and its supervision missions;
- Realize syntheses of lessons learnt and best practices in contract management;
- Ensure key meetings and work procedures are properly documented and institutionalized;
- Resolved procurement and contract-related issues in conforming to BISP's respective Wings and suggest corrective measures;
- Advise on managing additional claims (if any) from the vendors/ consultants;
- Review the performance of vendors/consultants upon contract closures and present performance reports to BISP Management
- Provide assistance to the Director Procurement in the following areas related to Contract Management:
  - Dispute Resolution
  - Assessing and identifying the risks like institutional political organizational procedural etc. that may negatively affect the ability to carry out effective contract processes
  - Perform any other duty as assigned by the immediate supervisor and senior management

## CHAPTER – 3

### Procurement Cycle

The Procurement cycle is a cyclical process of key steps for the procurement of goods, works or services. The stages of the procurement cycle are divided into two broad categories i.e., the pre-award stage and the post-award stage. The pre-award **stage** includes procurement planning, requirement definition, tendering/sourcing and evaluation/selection of suppliers/vendors/service providers and contract award while the **Post Award Stage** comprises contract management. Pre-award stages of any procurement activity are critical because post-award stage activities are entirely dependent upon the outputs of pre-award stage activities, *as requirements of any procurement activity if not worked out properly in the pre-award stage, are difficult to be revisited during a post-award stage.* The stages of the procurement cycle are described as under:-



Figure 2 - Procurement Cycle

## Core Responsibilities of Professionals

The duties of personnel in relation to procurement activities are as follows. The procedure and timelines of each activity are mentioned against each;

Table 1 - Core Responsibilities

S.No	Activity	Responsibility	Timeline
1	Generation of request to user wings to forward indicative requirements for preparation of Annual Procurement plan (GOP, WB and ADB separately)	DD (Goods & Services)	15th March of previous Financial Year
2	Obtain indicative requirements from user wings for preparation of Annual Procurement plan (GOP, WB and ADB separately)	DD (Goods & Services)	15th April of previous Financial Year
3	Consolidate indicative requirements and obtain approval of Principal Accounting Officer (BISP)	DD (Goods & Services)	30th June of previous Financial Year
4	Upload Procurement Plan on PPRA website, BISP website and Donor's website (STEP etc as the case may be)	DD (Goods & Services)	15th July
5	Receipt of Requirements from User wings with approval of Principal Accounting Officer to initiate Procurement action	User wings	30th October
6	In case of delay in processing requirements after 30th October, obtaining approval of Competent Authority is mandatory with reasons to be recorded in writing for any such delays	User Wings	
7	To finalize requirements with user wings including TORs, delivery time, payment terms, deliverables, procurement evaluation committee, Redressal grievance committee and inspection committee etc.,	DD (Goods & Services) in consultation with Procurement Specialist	
8	Preparation of draft bidding documents including Expression of Interest, Request for Proposal, Invitation to Bid/Information for Bid etc., and Preparation of newspaper advertisement	DD (Goods & Services) in consultation with Procurement Specialist	
9	To forward draft bidding documents to user wing/legal wing for vetting (Mandatory)	DD (Goods & Services)	
10	Obtaining NOL from Donors as per WB regulations/ADB Guidelines etc., as the case may be, as per Pre/Post review requirements	DD (Goods & Services)	
11	Process case for approval of Principal Accounting Officer to upload bidding documents on PPRA website, BISP website and STEP/donors website, as the case may be. Approval will contain Constitution of Procurement Evaluation committee and	DD (Goods & Services)	

	Grievance Redressal committee. Director (Field Admin) will be part of PEC in case of delivery/inspection of Goods at Field Level		
12	Email to Media wing to upload Bidding Documents on BISP website and News papers Email to PPRA to upload Bidding Documents on PPRA website Screenshot of advertisement on PPRA website and newspaper clippings to made part of case	DD (Goods & Services)	
13	Intimate members of PEC to attend Pre-Bid meeting (if scheduled).	DD (Goods & Services)	
14	To conduct Pre-bid meeting if contained in bidding documents. Protocols to be observed are as follows: The members of PEC may nominate any other member of the wing to attend Pre-bid meeting, if he is away on duty/leave, with reasons to be recorded in writing. Every member will sign the Attendance sheet. Record of potential suppliers attending Pre-Bid meeting will be kept Presence of office holder of procurement wing/procurement specialist is mandatory to conduct/attend Pre-bid meeting Presence of rep of user wing is mandatory to attend pre-bid meeting Late entry of suppliers to attend pre-bid meeting will be permitted Preparing conference room/designated place as per Bidding Documents. In case of non-availability of designated place, Pre-bid meeting will be conducted in the office of Chairman P.E.C or Director (Administration). In no case Pre-bid meeting is to be conducted in any office of Procurement wing Members of PEC will use "Red Pen" to endorse signatures on Bids/Proposals and Attendance sheet or any related document Secretary (PEC) is responsible to prepare minutes of pre-bid meeting and forward the same to procurement wing within 72 hours of Pre-Bid meeting Video recording of Pre-Bid meeting is mandatory. Director Administration will keep the record of video recording. If Pre-Bid Meeting is conducted on any place other than conference room, video recording of proceedings is Not Mandatory.	DD (Goods & Services)	



	Pay orders/CDRs to be detached from the Bids and held in Safe custody after necessary Record keeping. Details of release of bid securities will be endorsed in the same register		
15	Upload minutes of pre-bid meeting on BISP website after signatures of Procurement Evaluation committee and approval of Principal Accounting Officer. In case of any change in specification/scope of work or standard bidding clauses, the same will be notified on PPRA website (as well) through corrigendum. Minimum response time as per PPRA Rules will be provided in case of issuance of corrigendum.	DD (Goods & Services)	
16	Letter to Media wing to upload Minutes of Pre-Bid meeting on BISP website	DD (Goods & Services)	
17	Intimate members of PEC to attend Technical Opening.	DD (Goods & Services)	
18	<p>To Conduct Technical Opening as per scheduled date and time. Protocols to be observed are as follows:            Technical Offers will be opened in the presence of PEC and Bidders who may choose to attend</p> <p>The member of PEC may nominate any other member of the wing to attend Technical Opening, if he is away on duty/leave, with reasons to be recorded in writing.            Every member will sign the Attendance sheet and Bids/Proposals with Red Pen            Attendance of office holder of procurement wing/procurement specialist is mandatory to conduct technical opening in accordance with PPRA Rules/ Donor's regulation/Guidelines            Late submission of offers will not to be entertained, in any case, whether beyond or within reasonable control of the bidder            To retrieve tender box from main reception            Preparing conference room/designated place as per Bidding Documents. Arranging necessary Office Equipment / Equipment / Stationery (Scissor, Cutter, Dustbin, Red pen, Scale, Highlighter, Red seals, Large Envelopes etc)            In case of non-availability of designated place, Technical opening will be conducted in the office of Chairman P.E.C or Director (Administration). In no case technical opening is to be conducted in any office of Procurement wing</p>	DD (Goods & Services)	



	<p>Members of PEC will use “Red Pen” to endorse signatures on Bids/Proposals and Attendance sheet or any related document</p> <p>Financial Offers will be sealed in a separate envelope in the presence of PEC members, duly signed and stamped by Secretary PEC.</p> <p>Chairman PEC will act as custodian of unopened Financial Offers.</p> <p>Secretary PEC may forward the financial offers to Director (Administration) for safe custody, if such arrangements for safe custody are not held with chairman PEC. Responsibility of safe custody will remain the responsibility of chairman PEC.</p> <p>In no case unopened Financial Offers will be placed/held in procurement wing or any other unattended place</p> <p>Video recording of Technical opening proceedings is mandatory. Director Administration will keep the record of video recording in safe custody.</p> <p>If technical opening is conducted on any place other than conference room, video recording of proceedings is not mandatory</p> <p>Bid securities received in the shape of Pay orders/CDRs will be detached from the Bids and held in Safe custody after necessary Record keeping. Details of release of bid securities will be endorsed in the same register.</p>		
19	Preparation of minutes of technical evaluation proceedings	Secretary (PEC) [Input of DD (Goods & Services)/Procurement Specialist may be obtained, if required]	
20	Finalization of Technical Evaluation proceedings	Secretary (PEC)	
21	Approval of Principal Accounting Officer on Final Technical Evaluation Report.	DD(Goods & Services)	
22	Upload Technical Evaluation Report on PPRA and BISP website (At STEP/Donors website as per respective regulations/procedures)	DD(Goods & Services)	
23	Intimate Responsive Bidders for Financial Evaluation	DD(Goods & Services)	
24	Conduct Financial Opening on given date and time. Protocols to be observed are as follows: The member of PEC may nominate any other member of the wing to attend Financial	DD (Goods & Services)	

	<p>Opening, if he is away on duty/leave, with reasons to be recorded in writing.</p> <p>Financial Offers will be opened in the presence of PEC and Bidders who may choose to attend</p> <p>Every member will sign the Attendance sheet and Bids/Proposals with Red Pen</p> <p>Attendance of office holder of procurement wing/procurement specialist is mandatory to conduct Financial opening in accordance with PPRA Rules/ Donors regulation/Guidelines</p> <p>Preparing conference room/designated place as per Bidding Documents. Arranging necessary Office Equipment / Stationary (Scissor, Cutter, Dustbin, Red pen, Scale, Highlighter, Red seals, Large Envelopes etc)</p> <p>In case of non availability of designated place, Financial opening will be conducted in the office of Chairman P.E.C or Director (Administration). In no case Financial opening will be conducted in any office of Procurement wing</p> <p>Members of PEC will use “Red Pen” to endorse signatures on Bids/Proposals and Attendance sheet or any related document</p> <p>Video recording of Financial opening proceedings is mandatory. Director Administration will keep the custody of video recording in safe custody.</p> <p>If Financial opening is conducted on any place other than conference room, video recording of proceedings is not mandatory</p>		
25	Preparing consolidated Procurement Evaluation Report containing separate comparative statement		
26	Approval of Principal Accounting Officer on Final Evaluation Report and to issue letter of award of contract to successful bidder. Approval will contain nomination of Inspection committee		
27	Upload Final Evaluation Report on PPRA website, BISP website and STEP/Donors website as per respective regulations/procedures		
28	<p>Signing of the contract</p> <p>Contracts amounting Rs 10 Million will be signed by Director of user wing on behalf of BISP and Deputy Director of user wing as Witness.</p> <p>Contracts amounting more than Rs 10 Million</p>	DD (Goods & Services)	

	will be signed by DG of user wing on behalf of BISP with Director as Witness.		
29	Updation of Procurement Plan on BISP and PPRA website after approval of Principal Accounting Officer	DD (Goods & Services)	By 15th May
30	Forwarding procurement files to DD(CMS)for reporting to PPRA/NAB/Donors in accordance with prescribed limits/ procedural requirements, as the case may be	DD (Goods & Services)	Within 07 days of signing of contract
31	Sending copy of contract to user wing for contract implementation. A copy of contract to be sent to F&A wing.	DD (Goods & Services)	Within 07 days of signing of contract
32	Reporting of contracts to PPRA/NAB/Donors on prescribed formats	DD (CMS)	Within 30 days of receipt of case file
33	Obtaining bank guarantee from supplier	DD (CMS)	Within 15 days of signing of contract
34	Confirmation of bank guarantee from issuing bank (mandatory)	DD (CMS)	Within 30 days of signing of contract
35	In case of delivery of Goods at Field Level, Director (Field Admin) will intimate respective regions with copy of contract and contractual responsibility i.e Receipt of Goods and forwarding of Goods Receipt and Inspection Report, Ledger Action etc.	Director (Field Admin)	
36	Receipt of Goods/Services at BISP HQ or Field Level Provision of Goods Receipt and Inspection Report will be the responsibility of respective wing Provision of Delivery Challan will be the responsibility of respective vendor		
37	Process case for release of Bank Guarantee after expiry of warranty period. Confirmation from user wing to be obtained prior approval of Secretary (BISP)	DD (CMS)	
38	Cases related to any misconduct and grievance against any bidder prior award of contract including Encashment of Bid Security, Proceedings of Grievance Redressal Committee and initiation of any disciplinary action against firm. Input from Legal wing will be obtained in all such cases. All out efforts to be made that any misconduct on part of any firm may be dealt in parallel to normal procurement proceedings so as procurement proceedings may not be delayed	DD (Goods and Services)	

39	Cases related to any misconduct and disciplinary action including Encashment of Bank Guarantee, Imposition of Liquidated Damages, Risk and Expense cases, Blacklisting cases in consultation with contract management specialist. Input from Legal wing is to obtained in all such cases	DD (CMS)	
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It is the responsibility of respective office holder to ensure that procurement activity is completed within Timelines mentioned above. However, timelines can be varied on case-to-case basis depending on various internal and external factors, as the case may be.

All efforts are to be made to finalize the contract within the Bid Validity period. However, the bid validity period can be extended under exceptional circumstances and for reasons to be recorded in writing in accordance with PPRA Rule 26.

### Procurement Planning

Planning plays a vital role in the success of any procurement process as, without proper planning, it would be difficult to achieve the desired results. In procurement, planning is considered of paramount importance to identify the potential procurement requirements of the organization at the beginning of a financial year, in consultation with end-user wings so as to initiate the procurement process well in time and ensure the availability of goods, works and services at the right time, right place, and at right cost, for implementation of planned activities without any delay.

Procurement planning is the process of deciding what and when to buy. During the procurement planning process, a procurement method is assigned to an activity keeping in mind its nature, and the expectations that are linked with the fulfilment of procurement requirements, are determined. It helps to determine if the expectations are realistic; particularly the expectations of the requesting wings, which usually expect/pre-empt that their requirements shall be met on short notice as against the application of the corresponding procurement method. It allows for devising a procurement strategy for each activity that is included in the procurement plan. The such strategy includes a market survey and determining the appropriate applicable procurement method given the requirement and the circumstances. Procurement Wing estimates the time, and earmarking timeline for each procurement step that would be followed for a particular procurement method, which is required to complete a procurement process and award of contract in respect of each procurement activity. This is valuable information as it serves to confirm if the requirement can be fulfilled within the given time period as per the expectation of the requesting wing.

In terms of Rule 8 of the Public Procurement Rules, 2004, it is obligatory for a public sector procuring agency to devise a mechanism for detailed planning for its all-proposed procurements, with the intent of realistically determining the requirements commiserating with its available resources, scheduling delivery time or completion date and benefits to be achieved. Therefore, it will be incumbent upon BISP to work out all the procurement requirements on annual basis at the beginning of each financial

year based on the availability of financial resources to meet those procurement costs. In order to ascertain the indicative requirement, the Procurement Wing will collect the indicative requirements from each Wing/Office for the said purpose.

Based on the indicative requirement received from different wings, Procurement Wing will review it with reference to its inclusion in the procurement plan for a specific financial year separately for each category i.e., Services, Goods, Individual Consultants and Works, separately for GOP, WB and ADB funded projects. During the procurement planning stage, the following key processes will be followed:-

1. Estimation of activity cost.
2. Identification of procurement method as per provision of relevant Rules/Guidelines.
3. Realistic timelines for each procurement step.

The estimated cost of the activity would be worked out by the User Wing on the basis of the Last Purchase Rates or Market Survey or prices available through open source, as the case may be depending upon the nature of the activity and available information.

Once the estimated cost is worked out, the procurement method would be selected depending upon the nature of procurement activity from relevant Rules/Guidelines.

On the basis of the selected procurement method, realistic timelines for each step of procurement would be drawn considering the mandatory requirement of timelines involved at different stages like response time, the validity period of bids/proposals, etc. Once timelines are finalized, the same would be reflected in the respective procurement plan by Procurement Wing.

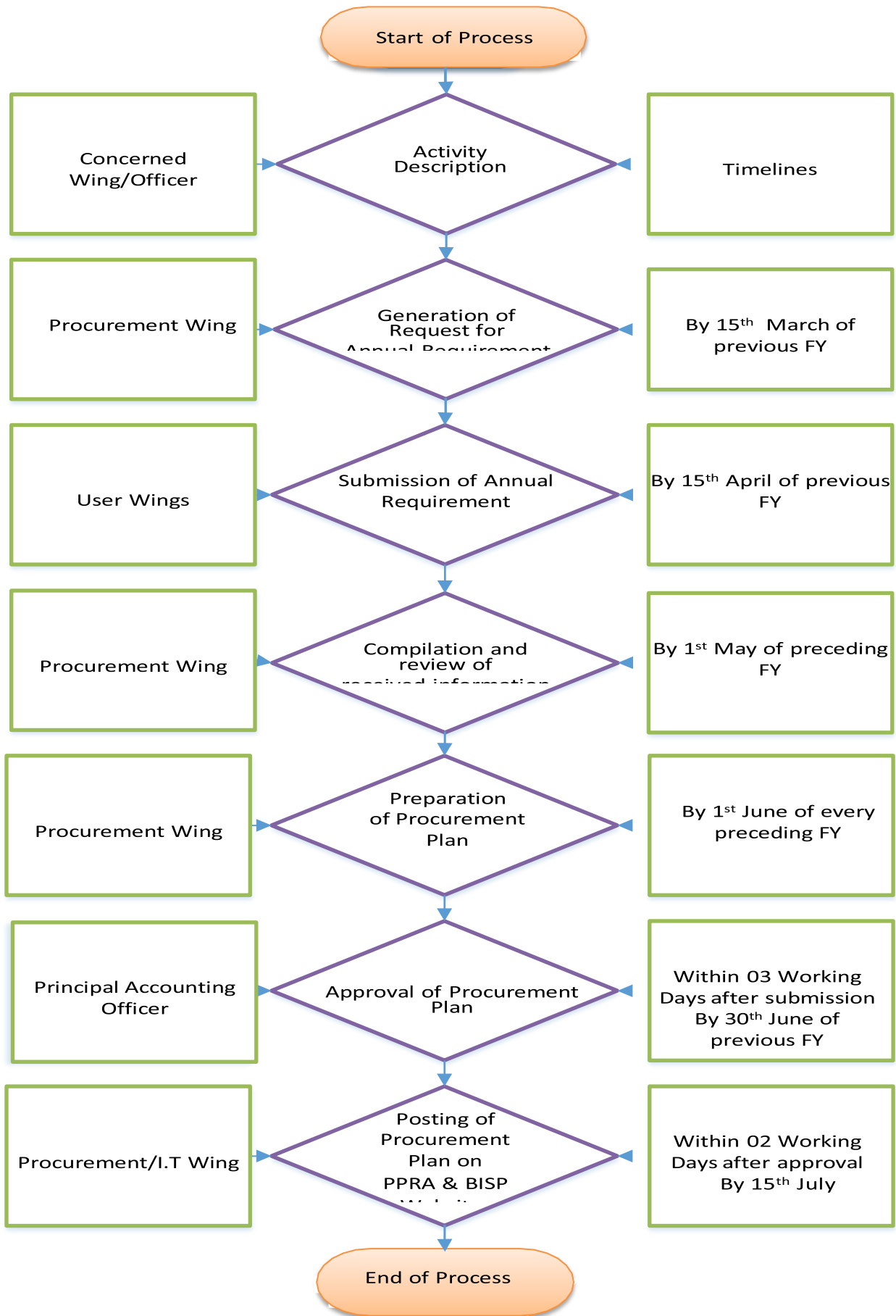
Once the procurement plan will be finalized, the same will be submitted to the Competent Authority i.e., the Principal Accounting Officer, BISP for approval and thereafter it will be published on BISP as well as PPRA's websites (STEP or Donors website, as the case may be) by Procurement Wing.

The procurement plan is a live document and will be continuously updated based on the progress of planned procurement activities, suspension of any activity or on receipt of any fresh proposal on the basis of organizational requirements.

If any additional requirement of any Wing will emerge at a later stage during the year in order to meet the operational requirement, the said Wing will record a proper justification that why the activity was not anticipated at the start of the financial year and will submit the case for approval of Principal Accounting Officer, BISP. Upon approval of activity from the Competent Authority, Procurement Wing will update the respective Procurement Plan and upload the same on PPRA and BISP websites. However, such a type of practice will be discouraged. In order to discourage such practice, Procurement Wing will coordinate with all Wings at the start of the financial year to collect the maximum indicative requirement so as to avoid frequent updation of the procurement plan during the financial year.

The following workflow diagram summarized the procedure and timelines of the Procurement Plan:-

Figure 3 - Procurement Planning flow chart



## CHAPTER-4

### **Constitution and Mandate of Procurement Evaluation Committee (PEC)**

The evaluation process adopted for the selection of suppliers of goods and consulting firms for services shall be carried out in accordance with the eligibility/qualification and evaluation criteria specified in the Bidding Document/RFP. A Procurement Evaluation Committee (PEC), with the appropriate mix of technical and practical knowledge and skills, will help to ensure that the procurement process should be completed in a timely manner by following the timelines given in the Procurement Manual for various procurement activities in order to ensure the best outcome.

The Procurement Wing shall have the overall responsibility for coordinating and preparing evaluation reports, in accordance with the prevalent rules & regulations after due consultation with members of the Procurement Evaluation Committee. However, evaluations shall frequently require inputs from relevant staff, particularly those with technical knowledge of the respective areas. The Principal Accounting Officer, BISP may select the most appropriate member or members of staff to conduct each evaluation. The Procurement Evaluation Committee (PEC) comprising members in odd numbers drawn from the concerned technical division/section shall be constituted in advance prior publication of invitation of tenders. One of the members at the Director General level shall be designated as Chairperson and one member of Additional Director General/Director level as member/Principal Accounting Officer of PEC.

While identifying the staff to provide inputs to an evaluation or to be members of an evaluation team, the Competent Authority will consider the type of skills, knowledge or experience required while constituting the PEC, which might include:

- ☐ Procurement and contracting skills;
- ☐ Technical knowledge;
- ☐ Financial Management skills;
- ☐ Legal expertise;
- ☐ Representation by the end user; and
- ☐ Specialist knowledge or experience.

**Note:** In case of non-availability of particular expertise in-house, BISP Management may co-opt any member for the PEC from other Ministries, Departments/Organizations. Likewise, BISP management may ask other Ministries, Departments/Organizations to appoint independent monitors for any required input. If the need arises, the Competent Authority constitute a sub-committee of the PEC to assist the PEC on certain technical matters.

The general functions of the PEC shall be as follows: -

- Ensure that the proposed procurement actions are based, inter-alia, on fairness, integrity and transparency, and as such are impartial and unambiguous.
- Examine and provide general advice regarding the financial implications of any proposed

procurement action, comment where appropriate as to whether, in its view, the proposed action, inter alia, is in the best interest of the BISP, and advises to the extent to which it seems that the proposed contractual instrument is appropriate and practical to administer.

- Ensure that the proposed procurement/contract is recommended to be awarded to the Most Advantageous Bid, strictly in accordance with bidding documents.
- Ensure that each member/evaluator must submit his/her scores within the given time period after receiving complete documents for evaluation.
- Completion of evaluation as early as possible but not later than 30 working days of the opening of bids (Technical and Financial separately).
- Notwithstanding the foregoing, the PEC shall not be responsible for reviewing or providing advice on the adequacy or necessity of the requirement being met under the proposed procurement action, nor for substituting its opinion on how to conduct a particular procurement action. Such responsibility shall rest with the Procurement Wing and the Implementing Wing (who will submit the request to the Procurement Wing after approval of the Secretary (BISP) and allocation of funds by the F&A wing). However, PEC on the basis of proposals received may recommend any change in the scope of work/required specifications, which may be considered by re-tendering the case only in accordance with PPRA Rule 34.

The Chairperson of the PEC shall be designated by the Principal Accounting Officer, BISP. The Chairperson of the Committee shall be responsible for the following:-

- Approving submissions/Working Papers, if any for inclusion in the PEC agenda through Secretary (PEC).
- Reviewing submissions prior to PEC meetings, and if necessary, requesting clarifications, and/or additional information from the Procurement Wing and/or Implementing Wing and/or participating firms through Secretary (PEC).
- Convening and chairing PEC meetings.
- Promoting fairness, integrity and transparency throughout the procurement process by ensuring that no member of the Committee is forced to change his/her opinion and giving fair room to all the members to record their thoughts/concerns.
- All members of PEC are independent to render their opinion. Any member of PEC, not agreeing with the proceedings/recommendations of PEC may write a note of dissent while recording minutes of the meeting.
- Specifying at meetings and thereafter, in the PEC written minutes, the reasons for rejections or deferrals of procurements, and making recommendations for remedial action, where appropriate through Secretary (PEC).
- To prepare PEC minutes and recommendations through the Secretary (PEC) signed by all members including the Chairperson of the PEC for consideration and approval of the Competent Authority within 15 working days of the opening of tenders.
- Nominating a member of the PEC to serve as Acting Chairperson in the absence of the



Chairperson with the prior approval of the Principal Accounting Officer, BISP.

The representative of the Procurement Wing shall be a non-voting member of the PEC.

Care is to be exercised that any member may not be made part of the Procurement Evaluation committee who is already engaged in the preparation of bidding documents and subsequently in the preparation of the contract.

Under the general supervision of the Chairperson PEC, the Secretary (PEC) shall be responsible for the following:-

- Arranging and coordinating PEC meetings.
- Ensuring the timely and efficient distribution of presentations/working papers and relevant documentation such as evaluation sheets to PEC members.
- Drafting the minutes of PEC meetings and the PEC's recommendations.
- Preparing PEC-related correspondence.
- Liaising with Chairperson PEC and Implementing Wings on issues involving PEC procedure, requesting additional information or clarifications from bidders, and any inquiries raised by PEC members regarding the procurement under review.
- Maintaining a permanent record of all PEC minutes/recommendations.
- Compiling statistics on the workload, activities and other matters pertaining to the PEC.
- Following approval by all members, signing PEC recommendations and minutes, and promptly forwarding these to the Chairperson for his/her signatures and further action.

The PEC and sub-committee, if constituted any, shall be briefed by DD (Goods & Services) about:-

- a) The method for evaluation;
  - b) Evaluating the proposals strictly in accordance with the evaluation criteria set out in the RFP/Bidding Documents;
  - c) Keeping the process confidential;
  - d) Declaration of any conflict of interest.
- Strictly prohibiting the members of the committee to contact bidders/firms who have submitted their bids/proposals through Secretary (PEC) only.
  - Keeping the proposals under safe custody at the end of the day (PEC will be given a separate room for evaluation of the proposals and to keep them under safe custody)

Before proceeding for evaluation, a preliminary examination check shall ascertain that the bids:

- meet the eligibility requirements;
- have been properly signed;

- are accompanied by the required bid security;
- are substantially responsive to the requirements of the RFP/bidding documents; and are otherwise generally in order.

If any bid is not substantially responsive, that is, it contains material deviations from or reservations to the terms, conditions and specifications in the RFP/bidding documents, it shall not be considered further.

The firm/bidder shall not be permitted to correct or withdraw material deviations or reservations once bids have been opened.

PEC may waive off any minor informality or nonconformity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any bidder.

No preferential treatment shall be given to any bidder(s)

For goods and works, after necessary evaluation of “Mandatory Requirements or preliminary examination” contained in the bidding documents, all substantially responsive bids shall be evaluated in detail as per the “Post Qualification Criteria” duly specified in the bidding documents. The following points should be noted:

- in the case of goods, the comparison of bids shall be on prices as per the delivery terms/price schedule defined in the Bidding Document.
- for both goods and works, the evaluation shall exclude any allowance for price adjustment during the period of execution of the contract, if provided in the bid.

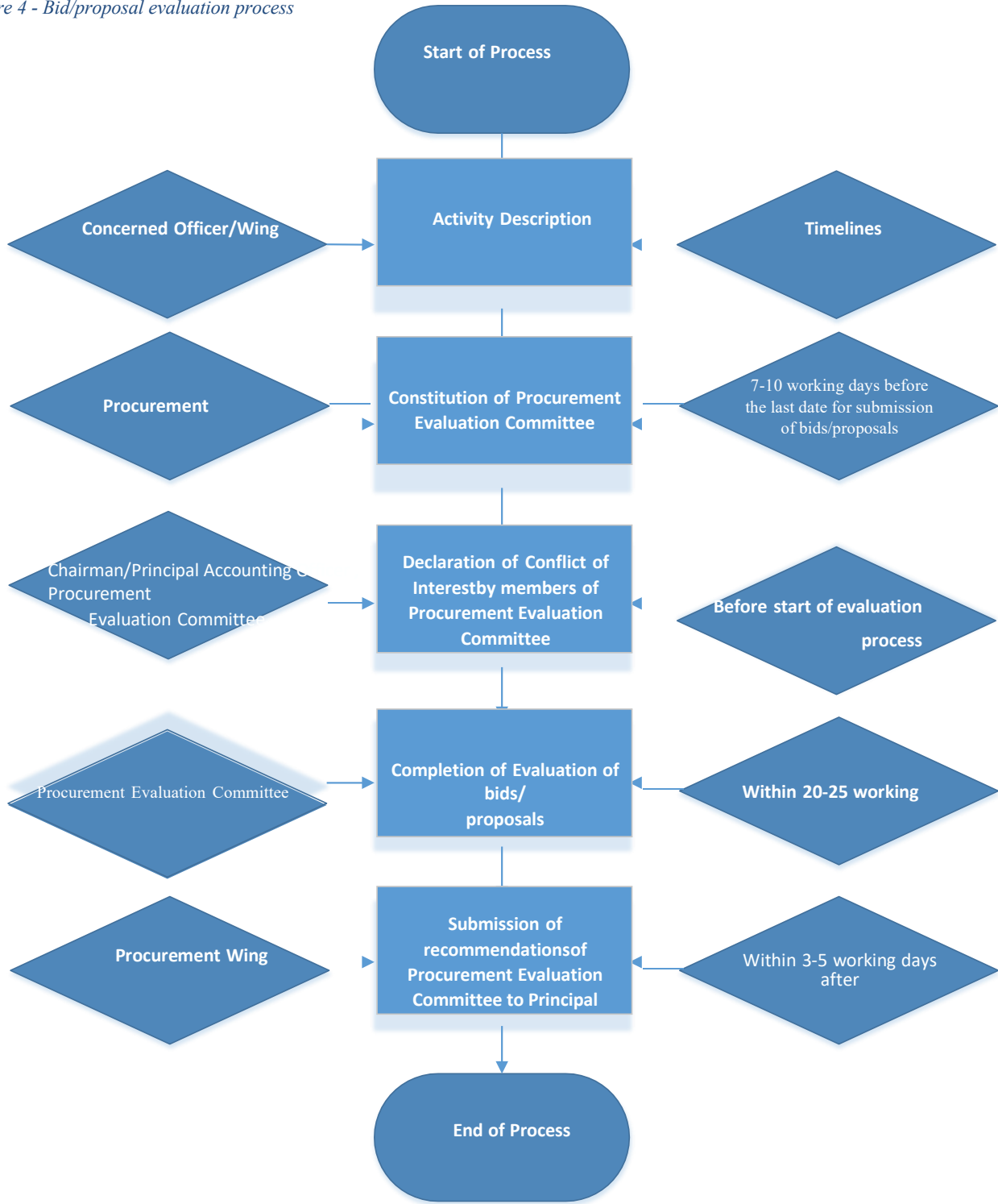
Bonus or additional credits for bid evaluation shall not be given for offered features that exceed the required standards or specifications, or earlier delivery schedule than specified in the bidding documents until and unless defined in the bidding document.

A detailed bid evaluation report covering all aspects shall be prepared.

A firm/bidder shall not be required as a condition of an award to undertake responsibilities for work not stipulated in the specifications or otherwise to modify his bid until and unless defined in the RFP/bidding document.

The overall procedure is summarized through a workflow diagram containing timelines given on the next page:-

Figure 4 - Bid/proposal evaluation process



## **Confidentiality and Conflict of Interest Declarations**

To guarantee the integrity of the procurement process, it is vital that members of the Procurement Evaluation Committee/Sub-Committee do not have a conflict of interest in the procurement under assessment and are required to record a conflict-of-interest declaration. Records kept must include details of the action taken to manage the conflict of interest.

## **CHAPTER - 5**

### **Timelines Linked with Some Important Procurement Processes**

#### **Procurement Of Goods/Works**

The procurement of Goods and Works would be conducted by following the prescribed methods and procedures as per the relevant Rules/Guidelines by adopting the Standard Bidding Documents.

Regional and Divisional Offices of BISP can purchase items of routine nature through Quotations in accordance with the delegation of powers or on securing administrative approval from the relevant authority. RFQ limit is Rs. 500,000/- for Goods after the following Request for Quotation method as per provision of Public Procurement Rules, 2004 in accordance with the SOPs defined in the Manual.

Some of the essential procedures pertaining to the procurement of goods and works are explained below with timelines:-

#### **Packaging:**

In the procurement planning, details for each package/cluster are compiled and agreed upon before initiating action. The said planning is contingent upon proper and careful market surveys besides making realistic cost estimates in-house, based on the market surveys.

Keeping in view that services, goods and works are to be procured economically and efficiently, consistent with quality, appropriate individual packages/clusters should be made.

#### **Preparation of Bidding Documents**

Preparation of bidding/request for proposal documents covers the process of assembling and formalizing the

information and documentation necessary for potential bidders to prepare responsive and easily comparable bids, consistent with the requirement and procurement strategy.

Bidding documents will be prepared well in time after receiving the complete requisition by Procurement Wing and create a “level playing field”, i.e. all potential bidders to receive the same information at the same time, to prepare bids; measurable evaluation criteria that will allow bidders the same chances to receive the contract award; and ensures that the terms of the eventual contract are clearly expressed and thus bidders understand the rights and obligations they will be expected to enter into. All requirements shall be clearly expressed in terms that are conducive to receiving a sufficient number of responsive bids so that the outcome will best meet the BISP’s needs.

Bidding documents shall be prepared to elaborate therein all the necessities which are obligated as per the relevant Rules/Guidelines. Soon after the preparation of bidding documents, Procurement Wing will obtain the approval of the Principal Accounting Officer, BISP for bidding documents as well as the publication of an Invitation for Bids (IFB). After approval, IFB will be issued /published within 2-3 working days.

As a general policy bidding documents will be made available Free of Cost at PPRA website/BISP website etc., however, records of all bidders who purchase the bidding documents shall be maintained in an orderly manner besides ensuring the confidentiality of the said record. Proceeds generated i.e., the amount collected in the shape of pay order/demand draft/call deposit/bankers cheque will be handed over to F&A Wing for deposit into the government treasury.

### Opening of Bids

All bids received shall be opened in the presence of all bidder's representatives who choose to attend. Participants shall sign a register/sheet prepared for the purpose as evidence of their attendance.

The bidder's/consultant's name, bid prices, bid modifications or withdrawals, discounts, and presence or absence of the required bid security shall be announced during the opening of bids. The minutes of the bid opening, documenting the above shall be prepared. No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the bidder(s).

Bids and modifications that are not opened and read out at bid opening shall not be considered

further for evaluation, irrespective of circumstances. Withdrawn bids shall be returned to the bidder unopened. DD (Goods & Services) shall release bid security to such bidders on the same day. All bids, especially Price Schedule, opened publicly shall be signed by all the members of the Procurement Evaluation Committee who shall be present on the occasion. The Procurement Evaluation Committee shall record the reasons for the absence of any of its member(s) in the Minutes of the Meeting. Secretary (Procurement Evaluation Committee) will prepare the minutes of the bid opening and get it signed by the members of the Procurement Evaluation Committee.

Bid securities of unopened/rejected/withdrawn offers may be returned to the respective bidder(s). Prices announced at the time of opening of financial offers will be recorded by Secretary (PEC) with a red pen in the attendance sheet.

### Evaluation of Bids

The purpose of an evaluation is to objectively assess and compare all bids received, using a pre-defined methodology and criteria as contained in the bidding documents, to determine the successful bidder and to whom a contract shall be awarded. The evaluation process

consists of the preliminary examination and evaluation of the offers received and considered to be valid, to assess their responsiveness to specifications and requirements as defined in the bidding document, analyze their cost and benefit, and determine their price and value. Evaluation, together with the requirement definition and the evaluation criteria and method specified in the bidding document, is the basis for the subsequent selection of the bid that provides the best value for money for the organization.

The evaluation shall be conducted by a designated evaluation committee and in accordance with the relevant regulations, rules and procedures, using the evaluation criteria and method pre-determined in the bidding document in order to conduct a fair and unbiased evaluation. The evaluation process shall be transparent, and therefore each step of the process shall be documented in the evaluation report which subsequently would be the basis for the recommendation of award. The evaluation process shall be completed within 30-45 working days by the Procurement Evaluation Committee after receipt of bids.

A well-conducted evaluation should ensure that:

- Competition is fair and all qualified bidders have an equal opportunity of winning the contracts;
- The procuring agency obtains the best value for money (VFM).

Consequent to the detailed evaluation of all the responsive bids, an Evaluation Report shall be prepared by the Procurement Evaluation Committee with clear recommendations. The recommendations of the Committee shall be submitted to the Principal Accounting Officer -BISP for necessary approval by the Procurement Wing within 2-3 working days after receipt of the evaluation report. After approval of the Evaluation Report by the Principal Accounting Officer, the BISP, Procurement Wing will immediately publish the evaluation results on the PPRA website and BISP website without any delay.

#### **Announcement of evaluation reports.-**

Based on the procedure adopted for the respective procurement, (DD Goods & Services) shall announce the result of the bid evaluation, in the form of the final evaluation report, after approval of the Secretary(BISP) giving justification for acceptance or rejection of bids at least fifteen days prior to the award of procurement contract:

Provided that in the case where the technical proposal is to be evaluated separately, prior to the opening of the financial proposal, the technical evaluation report shall be announced before the opening of the financial proposal. In such cases, financial offers can be opened at any time, provided successful bidders are informed in a timely and equal opportunity manner.

If the evaluation process is delayed for whatever reason, and the evaluation cannot be completed within the period of bid validity, a request will be made to all bidders to extend the

validity of their bids. Such extension shall be for not more than the period equal to the period of the original bid validity, in accordance with PPRA Rule 26.

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

### Award of Contract

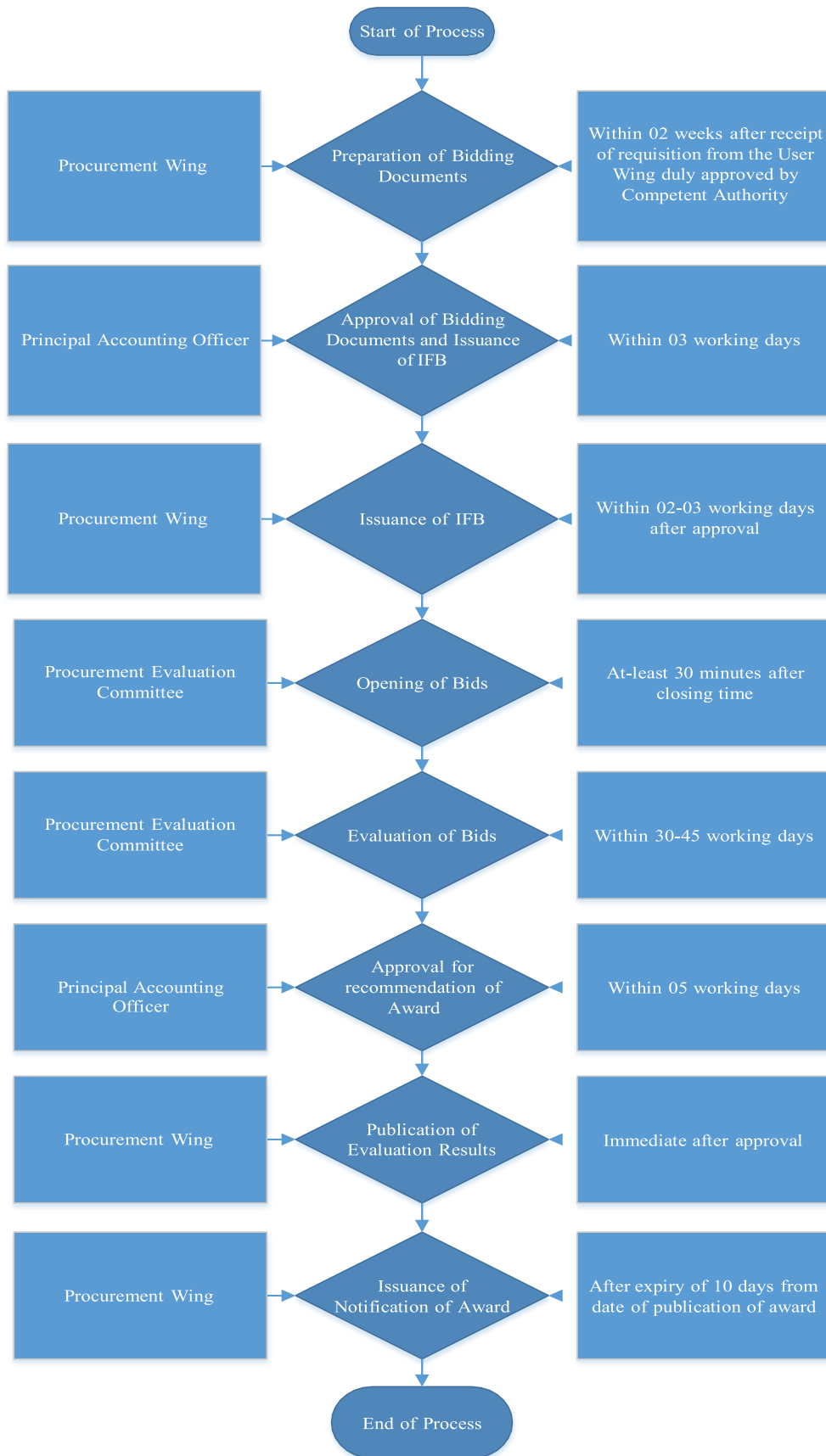
The contract shall be awarded to the Most Advantageous Bidder. Award of Notification will be issued by Procurement Wing on expiry of 15 days from the date of publication of evaluation results.

An **Integrity Pact** shall also be signed with the successful bidder as an Annex of the Contract Agreement if the value of the contract exceeds Rs. 10.00 million. All contracts have a value of Rs. 50 million or above shall be reported to NAB under Section 33-B of the National Accountability Ordinance, 1999.

The overall process of procurement of goods/works with timelines is summarized on the next page:-



Figure 5 - Procurement process flow chart



## **Request for Quotation - BISP HQ (GoP-Funded Activities)**

This method would be used for the procurement of routine items to meet day to day operational requirements of the organization. For BISP (HQ), Procurement of any items under the RFQ method shall be processed by the Administration Wing. While exercising this method, the following procedure will be followed:-

### **Step#1:**

Work out unambiguous specifications in view of requirements received from various Wings/Sections of BISP headquarters. The administrative approval of such requirement shall be obtained from the competent authority in advance within 3-5 working days after receipt of the requirement before initiating the procurement process.

### **Step#2:**

A Request for Quotation (RFQ) shall be prepared and issued to at least three to five locally based reputed vendors but not less than three in any case or Pre- Qualified vendors as the case may be, by giving 3-7 working days response time. The selected vendors must exclusively involve in the business for at least three years and have valid NTN & GST numbers. While issuing RFQ, it shall be ensured that same is signed by the designated authority and the record of issuing of RFQ is retained in the file as reference.

### **Step#3:**

Quotations received from the vendors will be opened by the already notified Committee preferably in the presence of representatives of participating vendors. After the opening of quotations, these shall be signed by members of the Committee and evaluation shall be carried out within 3-5 working days as per the terms and conditions of RFQ. Comparative statements and minutes of meetings (if deemed necessary) shall be prepared and signed by the members.

### **Step#4:**

The recommendations of the Committee shall be processed by Director Administration for approval of the competent Authority. After obtaining approval, Purchase Order will be issued to the lowest evaluated vendor for the supply of the required quantity of items within the stipulated delivery schedule.

### **Step#5:**

On receipt of the items, a Committee comprising representatives of Administration F&A and the respective Wings will carry out the post-delivery inspection to check compliance with the required specification, quality and quantity of the items. The Committee shall sign the Goods Receiving and Inspection Report (GRIR) for the record. On a satisfactory report by the Committee, the items will be entered in the stock register by Store Keeper and verified by Director Administration. Store Keeper will also record the stock entry on delivery Challan submitted along with commercial invoice/bill.

### **Step#6:**

Invoice/Bill along with GST duly verified by Director Administration along with delivery Challan and GRIR will be submitted to the competent authority for approval of payment to the supplier as per the procedure.

The overall process along with timelines is summarized on the next page. In the case of donor-funded projects, timelines involved in obtaining NOL and approvals at various stages may be considered accordingly.

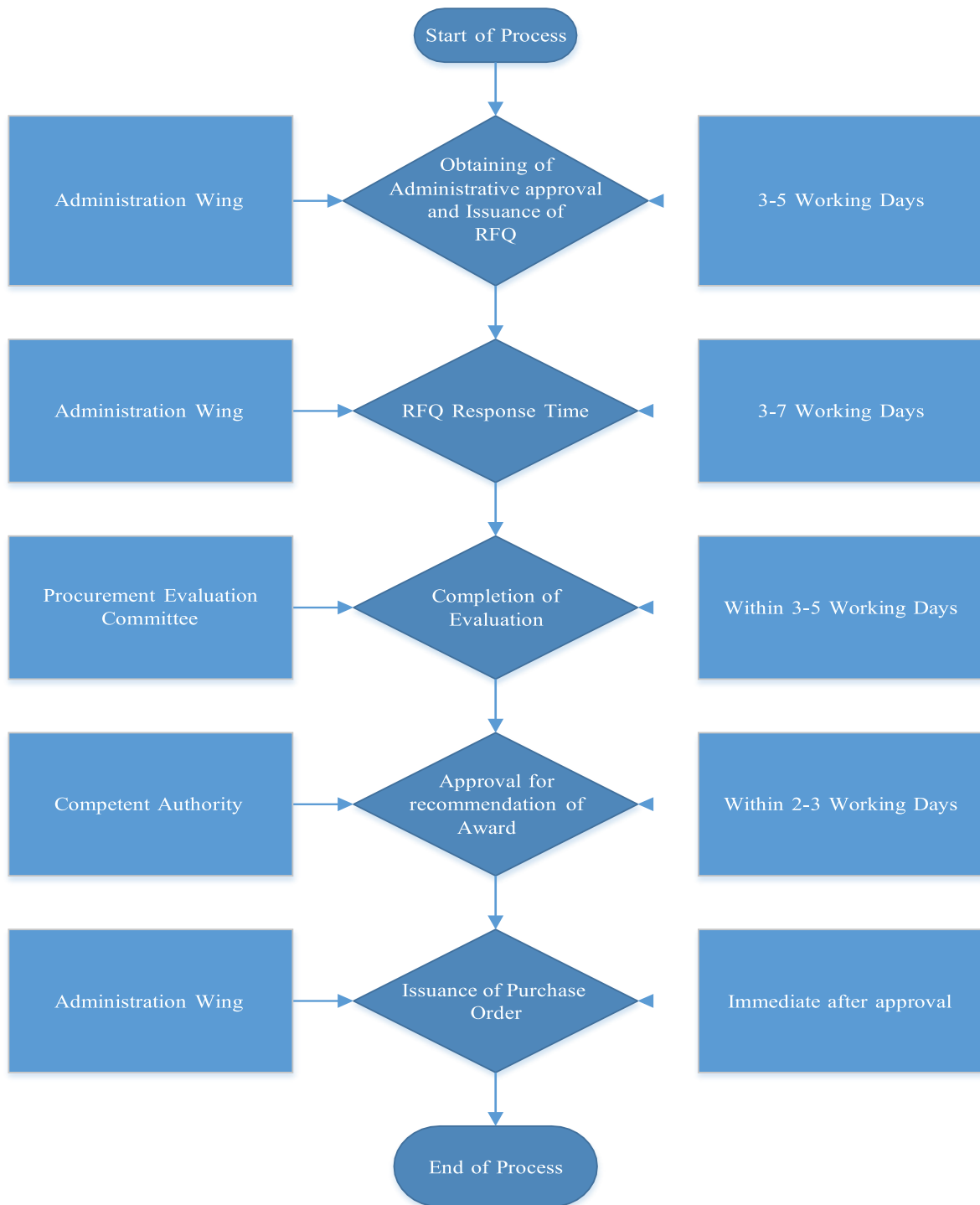


Figure 6 - RFQ Flow Process

## Request for Quotation-BISP Regional/Divisional Offices

This method will be used by BISP's Regional and Divisional Offices for the purchase of small value items, office stationery including operational fixtures & fittings etc. through the "Quotation Method":-

### Step#1:

Work out the generic specification of the needed items/equipment by the concerned Office, to meet the requirement of field functionaries, under the domain of the respective Provincial/Regional in charge. The administrative approval of such requirements shall be obtained from the competent authority in advance before initiating the procurement process.

### Step#2:

A Request for Quotation (RFQ) shall be issued to the reputed local-based vendors (minimum three and ideally five) by giving 3-7 working days response time. The selected vendor must have their established outlet and valid NTN & GST number. While issuing RFQ, it shall be ensured that same is sealed and signed by the designated authority and the record of issuing of RFQ retained in the file as reference.

### Step#3:

Sealed quotations received from the vendors shall be opened by the already notified Committee preferably in the presence of representatives of participating vendors. After the opening of quotations, these shall be signed by members of the Committee and evaluation shall be carried out as per the terms and conditions of RFQ. Comparative statements and minutes of the meeting shall be prepared and signed by the members.

### Step#4:

The recommendations of the Committee shall be routed through the concerned Regional Office for approval of the Competent Authority and after approval, Purchase Order will be issued to the lowest evaluated vendor for the supply of the required quantity of items within the stipulated delivery schedule.

### Step#5:

On receipt of the quantity, the Committee shall sign the Goods Receiving and Inspection Report (GRIR). On a satisfactory report by the Committee, the items will be entered in the stock register by Store Keeper and verified by In-charge of the Office. Store Keeper will also record the stock entry on the delivery challan submitted along with the invoice/bill.

### Step#6:

Invoice/Bill along with GST duly verified by the In-charge of the Office along with the following documents shall be forwarded to Administration Wing for processing of the case for payment to the suppliers:-

- Delivery challan.

- GRIR.
- Copy of RFQs.
- Quotations received from vendors.
- Recommendations of the Committee.
- Purchase Order.

The above-mentioned procedure will be followed by all Provincial Directors General and Regional Directors to ensure transparency and efficiency in the procurement process falling under the “Quotation method”.

### **Procurement of Consulting Services**

The acquisition of consulting services is based on project requirements supported by the administrative action and availability of funds for the implementation.

#### **Advertising**

Expression of interest notice will be issued by Procurement Wing within 2-3 weeks after approval of the Principal Accounting Officer, BISP as per the manner described in the relevant Rules/Guidelines.

#### **Evaluation of Expression of Interest**

Based on the Expressions of Interests Document received from the consulting firms, Procurement Evaluation Committee shall prepare recommendations for short-listing of firms within ~~20~~25 working days. The procurement Wing will process the recommendations of the Procurement Evaluation Committee within 2-3 working days after completion of the evaluation for approval of the Principal Accounting Officer, BISP.

#### **Invitation of Proposals**

Once the short-listed firms/consultants are approved by Principal Accounting Officer, BISP, a Request for Proposal (RFP) shall be issued to the shortlisted firms within 5-7 working days to submit their proposals within the stipulated time period which normally shall be 30 days.

#### **Evaluation of Proposals**

Evaluation of Proposals shall be completed by the Procurement Evaluation Committee within 30 working days after the opening of proposals and to submit its recommendations for award of contract. Recommendations of the Procurement Evaluation Committee will be processed by Procurement Wing within 2-3 working days for approval of the Principal Accounting Officer, BISP. After approval of the Technical Evaluation, financial proposals of the technically qualified Consulting Firm shall be opened by the Procurement Evaluation Committee in the presence of the representatives of the Consulting Firms and thereafter the recommendations of the Evaluation Committee shall be submitted to the Competent Authority for approval and after approval,

Procurement Wing will immediately publish the evaluation results.

### **Contract Negotiation/ Negotiation of Award**

After the expiry of the prescribed period for publication of results, the top-ranked Firm shall be invited for Contract Negotiation and upon successful completion of Negotiation, the Notification for Contract Award will be issued with the approval of the Competent Authority.

An **Integrity Pact** shall also be signed with the successful bidder as an Annex of the Contract Agreement if the value of the contract exceeds Rs. 10.00 million. All contracts have a value of Rs. 50 million or above shall be reported to NAB under Section 33-B of the National Accountability Ordinance, 1999.

If the evaluation process is delayed for whatever reason, and the evaluation cannot be completed within the period of proposal validity, a request will be made to all firms to extend the validity of their proposals.

## **CHAPTER -6**

### **Contract Management**

Procurement and Contract Management are critical for any private or public sector organization. Substantial financial allocations are made available for the procurement of goods, works and services out of public funds. For having the best value for money, it is essential that procurement processes should be in line with relevant rules and regulations. Transparency, efficiency, economy and fairness are the hallmarks of procurement. The stated objectives cannot be achieved unless an efficient contract management system is evolved to complete a project/assignment within prescribed timelines to avoid cost and time overrun, otherwise it may offset the impacts of transparency and economy exercised in the completion of the procurement process. “A great contract at signing can be the worst six months later unless someone is carefully managing its operation<sup>1</sup>”. Given the involvement of different tiers, it would be imperative that all segments should work in tandem to achieve the desired objective.

Timely payment to the service providers is another critical factor which contributes towards efficient contract management. Delay in payment as per prescribed timelines in the contract affects the performance of the service provider which ultimately results in delayed execution and impedes the accomplishment of the organizational goals and targets.

### **Concept of Contract Management**

The term contract management refers to the procedure that allows a contracting authority to verify that a service provider is executing a project in accordance with the terms and conditions of a contract providing services/supplying the products that have been set forth in the RFP/ bidding document. It provides oversight to top management of an organization about the performance of a consultant/supplier to meet acceptable outputs within prescribed timelines.

The terms “contract management” and “contract administration” are often used synonymously. However, “contract management” is commonly understood as a broader and more strategic concept that covers the whole procurement cycle including planning, formation, execution, administration and close out of a contract and goes beyond the day-to-day “administrative” activities in the procurement cycle.

The purpose of contract management is to ensure that all parties to the contract fully meet them

respective obligations as efficiently and effectively as possible, delivering the business and operational outputs required from the contract and providing value for money. It also protects the rights of the parties and ensures required performance when circumstances change.

Contract management is similar to project management. Each contract is a mini-project. It has a unique goal, consumes resources, has a beginning and an end date, and requires coordination and planning of relevant activities, as well as documentation in a contract file throughout the process. Contract management includes monitoring and documenting performance. Ineffective contract management may lead to the following risks:

- Decisions not taken at the appropriate time during execution allow potential risk to appear which obstruct course corrections.
- The expected outcomes of a project may not be achieved.
- Underestimation of project implementation in terms of time and required human resources leading to deviations from the initial planning and possibly exceeding the initial estimated budget.
- The project implemented at a slow pace may result in losing opportunities to improve value for money.

The following are the key factors for effective contract management;

- i. Proper strategic decisions and need assessment while conceiving and defining the scope of work.
- ii. Effective monitoring and evaluation procedure/mechanism so as to monitor the performance of a consultant/service provider.
- iii. Professional/competent contract management team having the required qualification and experience to manage the contract effectively.
- iv. Preventive measures during the execution of a contract.

### **Causes of delay in Contract Execution and Payment**

According to standard provisions of contracts for the procurement of Goods and Services, the client is under obligation to pay service providers against a particular deliverable on submission of an invoice as per agreed payment conditions. It is generally observed that delay in payment to the service providers may create a situation like a breach of the contract, loss of confidence of service providers and litigation issues, etc. In order to avoid delay in payment, a need has been felt to devise a mechanism to streamline contract management and payment procedure. Generally, a delay is attributed to the following factors: -



- a. Controversies on the deliverables due to ambiguity and lack of clarity on the design and TORs already agreed between the parties;
- b. Involvement of different tiers in inspection, sanction, budget and payment processes;
- c. Absence of a proper contract management system delineated roles and responsibilities of relevant tiers in contract management and payment process with timelines;
- d. Delay in completion of deliverables by the service provider in accordance with the required standards of quality as per the Contract Agreement.

As per practice in vogue in BISP, various Wings have their specific role in the processing of payment of the supplier/service provider. Most of the observations raised by these wings for want of clarity on contract management issues resulted in the wastage of considerable time.

For instance, Procurement Wing has to ensure that the action of the supplier/service provider is in line with the contractual obligations and that any claim or dispute is resolved amicably according to the terms and conditions of the contract. Payments for the goods or services are released by Finance & Accounts Wing, while overall Contract Management is the responsibility of the Implementation Wing.

During execution, Implementing Wing ensures that there is a shared understanding, of the distribution of responsibilities and that systems and procedures are well in place to monitor and control contract performance and effectively deal with potential changes and disputes. The supplier/service provider should be considered a member of the project team, with all members striving for success. Upon signature of the contract, several steps are required to be taken to ensure that roles, responsibilities and obligations are clearly allocated among the parties and proper systems and procedures are put in place to monitor performance and keep efforts well focused.

### **Contract file and documentation**

At BISP, the contract file (after the signing of the contract) is managed by the Implementing Wing. Any issues requiring clarification or any change in the scope of the contract are documented in this file. The following documents normally are part of the contract file:

- The original contract including all amendments
- Contract related communication with the supplier (electronic, internal and external correspondence)
- Copy of the winning offer
- Award documents
- Minutes of meetings
- Notes of phone conversations
- Reports
- Pictures, video films etc.
- Proof of receipt of goods
- Proof of payment
- Supplier assessment report

- Acceptance report by the Implementing Wing.
- Invoice and related documents
- Inspection report i.e GRIR etc
- Stock register entry
- Proceedings of dispute resolution
- Proceedings of blacklisting

Other related documents preceding the contract finalization, such as requisition, bidding/RFP document, offers received, evaluation report, etc. are usually part of other related files which is maintained by the Procurement Wing. It is important to carefully document contract performance for the following reasons:

- It constitutes proof of performance.
- It constitutes evidence in the event of disputes.
- Its content forms the institutional memory.
- It is used for audit purposes.

### **Contract analysis**

As soon as possible, Implementing Wing in close coordination with Procurement Wing should analyze the terms and conditions of the prospective contract and develop a contract work breakdown structure that reflects both the technical and administrative aspects of contract performance. The Implementing Wing and the supplier/service provider should agree on intermediate performance goals based on contract performance obligations. Intermediate goals will enable BISP to measure progress, detect significant performance variances, take corrective action, and follow up.

### **Contract performance monitoring and control**

Once the contract has been awarded, it is the responsibility of the Implementing Wings to monitor performance, collect information, and measure actual contract achievement. This is essential for effective control. The resources devoted to these tasks, and the techniques used to perform them, will depend on the nature of the contract work, the size and complexity of the contract, and the resources available.

### **Control points**

Observing and collecting information should be based on the following:

- cost control
- schedule control
- compliance with specifications, terms of reference, and statement of work (quality assurance and control)
- compliance with terms and conditions, paperwork requirements, and administrative aspects of the performance.

## Dispute management and resolution

A proper clause will be added in every contract for procurement of goods and services for “Settlement of Dispute” with the following wordings:-

- a. The Contract shall be governed by and construed in accordance with the laws of the ISLAMIC REPUBLIC OF PAKISTAN.
- b. If a dispute of any kind whatsoever arises between the BISP and the Supplier/Contractor/Service Provider in connection with or arising out of, the Contractor the execution of the contract, whether during the execution of the Contract or after its Completion and whether before or after repudiation or other termination of the Contract, including any dispute as to any opinion, instruction, determination, the parties shall attempt to settle such dispute amicably within 30 days from the date a dispute actually started and reduced to writing. In case of failure to settle amicably, the matter shall be referred to an Arbitrator who will proceed as per Arbitration Act 1940. The place of arbitration shall be Islamabad.

## Arbitration

After coming into force of the procurement contracts, disputes between the parties shall be settled by arbitration for which the procuring agency shall provide a method of arbitration in the procurement contract not inconsistent with the law of Pakistan.

## Contract completion and closeout

Contract close-out activities are generally fairly straightforward, especially for small-value contracts and purchase orders. However, in complex and high-value contracts involving progress payments and/or securities, the Implementing Wing ensures that the contract file is properly closed out. The close-out process ensures that all contractual obligations have been met and that residual obligations – such as warranties, guarantees and after-sales service and support are clearly defined in terms of responsibility, liability, procedures and timeframes. Contract close-out occurs once all contractual obligations have been fulfilled by the supplier/service provider. It also includes the preparation of the final contract performance report by the Implementation Wing including lessons learned.

## Role of different wings in contract Management and Payment

In order to streamline the efficient contract management and payment procedure, the roles and responsibilities of the concerned wings are delineated as under:-

### Implementing Wing/User department:

#### Preparation of TORs

User Wing shall primarily be responsible for overall contract management starting from the

planning phase till the conclusion of the contract. For efficient contract management, it is of paramount importance that TORs/scope of work should be precise, lucid and comprehensive covering following key areas:-

- i. The objective of the assignment.
- ii. Scope of services.
- iii. Methodology, Work Plan, etc.
- iv. Expected outputs/Deliverables with timelines.
- v. Duration of the contract with cost estimates.

During the preparation of TORs, due deliberations are required to be exercised by involving all relevant wings including the Procurement wing to avoid likely contractual issues during the execution of project activity. In case of surveys, reviews and evaluations related activities, involvement of the M&E Wing should invariably be ensured at the design as well as report verification stages of the related assignments. Generally, it has been observed in most of the cases that due to non-clarity in the original design/TORs, payment-related issues cropped up at a later stage resulting in delays in the completion of the assigned task by the service providers. Hence, to avoid such issues during the execution of a contract, the well-conceived scope of work covering key elements as outlined above should be devised and made an integral part of the contract to be signed between the parties. The following shall be the key functions of Implementing Wing:-

- a. Preparation of TORs, complete in all respects, in consultation with the concerned stakeholders including the M&E wing. Involvement of the M&E wing shall be invariably ensured while preparation of TORs for surveys, third-party evaluations/assessments and other assignments were deemed essential.
- b. Monitor/supervise activities of a service provider to ensure compliance with TORs and prescribed terms and conditions of the contract.
- c. Foresee potential risk factors during the execution of a contract and suggest corrective measures/course corrections to the management well in time.
- d. Devise a monitoring and evaluation mechanism in consultation with the M&E wing for the smooth and timely execution of a contract.

#### **A mechanism for verification of deliverables/report**

The following shall be the key elements/parameters for verification of the deliverable/report submitted by the service provider. Consultation with the M&E wing will be of great value while verifying the deliverable on the laid down parameters.

- a. Conformity to the stated objective of the assignment.
- b. Compliance with the agreed design methodology as per TORs and inception report.
- c. Fulfilment of quantitative & qualitative outputs, as stipulated in TORs.
- d. Comments of the concerned officer on the key findings in the report.

- e. Variations, if any, from the agreed methodology, design and outputs should be clearly indicated along with justification and impact on the agreed scope of the assignment.
- f. Recommendation regarding the acceptance of the deliverable/report by the concerned officer/wing.

### **Timelines for verification of deliverables**

The Implementation Wing will receive deliverables without an invoice from the service provider within the prescribed time as per the Contract signed between the parties. The rationale for the submission of deliverables without an invoice is that sometimes, it takes considerable time to verify due to shortcomings in outputs submitted by the firm and in case it is accompanied by an invoice, it starts counting down in terms of payment timelines as prescribed in the contract. As a matter of policy, the invoice shall be submitted by the service provider once the deliverable is accepted and approved by the client and conveyed accordingly in writing by the wing concerned.

In case of a survey, third-party evaluation and any other assignments where the input of M&E Wing is essential, the Implementing Wing with the collaboration of M&E Wing shall be responsible for verification of deliverables within 15 working days. In case of any observation on the report/deliverable, it will be referred to the service provider. Observation shall clearly identify the shortcomings indicating the corrective measures by the service provider, within a reasonable time which shall not exceed fifteen (15) working days.

- i. A maximum of three attempts will be made for the same deliverable for corrective measures by the service provider. In case no response is received and corrective measures are not undertaken by the 2<sup>nd</sup> party within the prescribed timeframe and default continues for nonperformance consistently and consecutively up to a maximum of 60 days, the matter will be immediately reported to the Senior Management for necessary action as per provisions of the contract to take punitive action.
- ii. The Implementing Wing shall not take more than fifteen (15) working days under the normal situation when the deliverable is found in order. However, while making correspondence with the service provider all concerned wings will be kept in the loop by the implementation wing.
- iii. The Implementing Wing shall be responsible to collect feedback from M&E and finalize the verification process as per prescribed parameters within 15 working days.

### **Procedure for Invoice Processing**

After approval of the deliverable by the Competent Authority, the Implementing Wing shall obtain an invoice from the service provider by communicating approval of the deliverable.

- i. On receipt of the invoice and after verification, Implementing Wing within 03 working days will send the invoice to F&A Wing for processing of payment.
- ii. The F&A will clear the case from the pre-audit point of view within four (07) working days and send the case for obtaining the sanction/approval of PAO. However, in case of any

query/additional information, the F&A wing will refer the case back to Implementing/user Wing (within 3 working days) for corrective action. Implementing/user wing after doing the needful will send the case back to the F&A wing within 2 working days. Thereafter, the F&A wing will clear the case for payment to seek sanction/approval of PAO. Accordingly, the DDO will issue the cheque(within 3 working days) to the party under intimation to Implementing/user wing.

- iii. Implementing Wing will prepare and submit monthly updates on contract management to Procurement Wing focusing on adherence to timelines in the completion of the agreed deliverables by the consultant and contractual issues if any with a suggested course of action.

The F&A wing is responsible to make prompt payments to suppliers and contractors against invoices or running bills within the time given in the conditions of the contract, which shall not exceed thirty days.

### **Role of Monitoring &Evaluation (M&E) Wing**

The role of the M&E Wing in BISP's context starts with planning. The monitoring part of M&E is expected to keep oversight on all activities and to have a comparative analysis of operational activities against the SOPs devised for various initiatives. The evaluation part focuses on process evaluations, outreach efficiency, feedback, operational reviews and impacts at all levels. One of the most significant roles of the M&E Wing is to analyze the third-party assessments and suggest course corrections to top management to further strengthen the design and operation of the program. This part translates into the contribution of M&E in planning. Anticipating the possible future challenges and optimal solutions is also one of the prime functions to be performed by them. M&E is applying the tools of the Logical Framework Approach (LFA), research papers, designing small surveys and providing technical assistance to the organization and to the third parties working on various assessments of the program to effectively achieve the objective of third-party evaluations. Given the peculiar role of the Wing, the following shall be the key responsibilities of M&E in the context of procurement and contract management.

- i. M&E will assist the implementation wing in the preparation of TORs for any kind of survey, third-party evaluations and any other assignment where the input of the M&E wing is considered essential.
- ii. M&E Wing will suggest /provide guidelines on the design, methodology and sampling approach of an intended assignment to be incorporated in TORs.
- iii. M&E Wing will provide input on the deliverable/report submitted by the service provider as and when referred by the concerned wing.
- iv. M&E Wing will compile key recommendations of third- party reviews/assessments and suggest course corrections to senior management in the areas where required under various initiatives.
- v. M&E Wing will assist the implementing wing in the verification of a report/deliverable provided by the service provider to ascertain conformity to the agreed design, methodology and sampling approach including qualitative and quantitative outputs.

## Role of Procurement Wing:

The procurement Wing shall be responsible to ensure transparency, economy and efficiency in the procurement process in compliance with the relevant rules and guidelines. Whenever required, Procurement Wing will assist in Implementing Wing for efficient contract management. Procurement Wing will perform the following specific functions with regard to contract management;

- i. The Procurement Wing in consultation with the concerned Wings will prepare a procurement plan of all activities funded under both GOP as well as Donors Agencies highlighting, budget estimates, mode of selection and timelines and shall ensure transparent handling of all steps involved in the procurement cycle in an efficient and effective manner.
- ii. The Procurement Wing will assist Implementing Wing to keep an oversight on contract management by tracking implementation progress as per the agreed terms and conditions of the contract. The vigilance on contract management will be exercised through active persuasion by the implementing wings.
- iii. The Procurement Wing will assist Implementing Wings in the preparation of a formal Contract Closure Report on the conclusion of a particular contract, clearly identifying the issues during execution including variation in scope and cost, and suggesting remedial measures for future activities.

## Finance Wing:

### Pre-Audit checks

The pre-audit checks are being applied while the examination of cases is as under:

- i) Checking of Invoice number & date
- ii) Ensure compliance of contractual clauses/PPRA
- iii) Verification of invoice by the user wing (authorized officer)
- iv) Verification of NTN/GST number, ATL status of vendor/firm
- v) Validity of contract period, compliance of addendum to the contract clauses etc
- vi) Confirmation/genuineness of the bank guarantee/insurance coverage submitted by vendor/firm.
- vii) Verification of exemption of Income Tax and GST claimed by vendor/firm etc
- viii) Confirmation of availability of budget/funds
- ix) Ensure availability of Project Completion Report issued by the procurement wing/user wing w.r.t final payment.
- x) Compliance of Office Order dated 24.01.2022 issued by Procurement wing.
- xi) The procurement wing shall provide a certificate of “non-blacklisting of vendor/firm awarded supply order or contract”
- xii) Compliance with any other instructions issued by the competent authority and requirement emerged during the examination of the case(s)

The following checks are exercised by DDO at the time of preparing Payment Vouchers:

- i) Calculation & deduction of applicable taxes etc

- ii) Verification of NTN/GST number and ATL status of vendor/firm
- iii) Booking the expenditure in the relevant head of account

Ensure sanction of expenditure from the competent authority

### Timelines for invoice processing

The F&A will clear the case from pre audit point of view within four (07) working days and send the case for obtaining the sanction/approval of PAO. However, in case of any query/additional information, F&A wing will refer the case back to Implementing/user Wing (within 3 working days) for corrective action. Implementing/user wing after doing the needful will send the case back to F&A wing within 2 working days. Thereafter, F&A wing will clear the case for payment to seek sanction/approval of PAO. Accordingly, the DDO will issue the cheque(within 3 working days) to the party under intimation to Implementing/user wing.

### Force Majeure

'Force Majeure Event' shall mean the occurrence of any of the following events or circumstances, or any combination thereof, which are (i) beyond the reasonable control of the affected Party, (ii) could not have been foreseen or prevented by the use of or by the exercise of reasonable skill and care, and (iii) have a material adverse effect upon the performance by the affected Party of its obligations under the Agreement including but not limited to:

- i) strikes, lock-outs or other industrial action or labour disputes involving the affected Party or its permitted sub-contractors, employees or agents;
- ii) invasion, an act of war (whether declared or undeclared), armed conflict or act of a foreign enemy, blockade, civil war, rebellion, riots, insurrection or civil commotion;
- iii) sabotage, kidnapping, terrorism or credible threat of such acts;
- iv) epidemics;
- v) explosions, chemical or radioactive contamination or ionizing radiation or other radioactive contamination risks in the common form that are not covered by the Insurer's approved insurance policies;
- vi) unusual or extreme adverse weather or environmental conditions or action of the elements, meteorites, aircraft or object falling from aircraft or other aerial devices, the account of pressure waves caused by aircraft or other aerial devices travelling at supersonic speed or other natural disasters;
- vii) act of God;
- viii) any event or circumstances of a nature analogous to the foregoing, provided that each of the events described shall constitute a Force Majeure Event to the extent that such events or circumstances are caused by an event or circumstance that is itself a Force Majeure Event, experienced directly by the Party concerned.



Force Majeure Events shall not include the following:

- i) delay in the performance of the Agreement by the Service Provider;
- ii) breakdown in machinery or equipment.

If, by reason of a Force Majeure Event, a Party is wholly or partially unable to carry out its obligations under the Agreement, the affected Party shall:

- i) give the other Party notice of the Force Majeure Event as soon as practicable, but in no event later than forty-eight (48) hours after the affected Party becomes aware of the occurrence of the Force Majeure Event, or six (6) hours after the resumption of any means of providing notice to the other Party;
- ii) provide, wherever appropriate or when reasonably requested to do so by the other Party, further information to the other Party fully describing the Force Majeure Event and its cause(s), and providing or updating information relating to the efforts of the affected Party to avoid and/or to mitigate the effect(s) thereof, and estimates, to the extent practicable, of the time for which the affected Party reasonably expects it shall be unable to carry out any of its affected obligations due to the Force Majeure Event.

The affected Party shall notify the other Party of the cessation of the Force Majeure Event and of its ability to recommence the performance of its obligations under the Agreement as soon as possible and in any event not later than seven (7) days after the cessation of the events described above.

BISP shall examine the pros and cons of the case and all reasonable alternative measures for the completion of the Agreement and shall submit its recommendations to the Competent Authority for a final decision. However, unless otherwise directed by BISP in writing, the Service Provider shall continue to perform its obligations under this Agreement as far as is reasonably practical and shall seek reasonable alternative means for performance not prevented by the Force Majeure event.

The Service Provider may not be liable for any liquidated damages or termination/blacklisting for default, if and to the extent of delay in performance or other failures to perform its obligations under the Agreement as a result of a Force Majeure event.

### **General Guidelines Governing the Contracts:**

- The contract must be drafted within the scope of work defined in the bidding documents.
- Only those clauses can be inserted in the contract which was asked by BISP in the bidding documents and complied with by the firm in its offer.
- Amendments to the existing contract can be made provided it doesn't affect the cost or scope of work or specifications of the original contract

- Implementing wing will initiate a case for amendment in the contract for approval of PAO.
- Cases related to waiver of Liquidated damages will be processed by implementing wing for approval of PAO.
- The procurement wing will amend relevant clauses in the contract and prepare a draft Addendum for legal vetting in a hard file. Thereafter case will be returned to the user wing for endorsement of signatures.
- An addendum will be signed on behalf of BISP, preferably by the DG of the relevant wing with the Director of the relevant wing as a witness. In case of non-availability of any position, Addendum can be signed by a senior most positions of a particular wing respectively. Likewise, the CEO/proprietor of the firm will sign the addendum on behalf of firm with other employ as a witness.
- Contract amounting Rs 10 Million will be signed by Director of concerned wing with Deputy Director as a witness, after approval of PAO. In case of non-availability of any position, contract can be signed by any senior positions of particular wing below the rank of DG.
- Contracts amounting Rs 100 Million and above will be signed by DG of relevant wing with Director of relevant wing as a witness, after approval of PAO. In case of non-availability of any position, contract will be signed by any senior positions of particular wing.
- PAO may waive off Liquidated Damages in the event of Force Majeure or any event beyond the reasonable control of the supplier
- Liquidated damages will be imposed on undelivered goods or unperformed services only, as per rate contained in the contract, up to maximum limit of 10% of the overall contract value, in accordance with PPRA Rules, 2004
- Cases related to encashment of Bank Guarantee, encashment of Bank Guarantee and imposition of Liquidated Damages will be forwarded to F&A wing for implementation, after approval of PAO
- Terms of payment duly publicized in the bidding documents can only be inserted in the final contract
- Each “contract” or “Agreement”, as the case may be shall carry a control number to be inserted on the 1<sup>st</sup> page of each contract. Control number shall include original file number with date of signing of contract( such as IFB/1-59/1221/310044 dated 13<sup>th</sup> March 2022).
- The term is to be used invariably while drafting an Agreement.
- Any amendment in the bidding documents after publication on PPRA website/BISP website or newspaper is prohibited. However, if circumstances dictate to alter/amend/change the bidding documents after publication of same then the same can be made with approval of PAO only. Such changes will be made through issuance of formal corrigendum, which must be publicized in the same manner of original advertisement and minimum response time required under PPRA Rules must be provided starting from publication of such corrigendum on PPRA website.
- Any change in original bidding documents by publicizing the same on BISP website only, is prohibited.
- Any clarification in bidding documents, required by any potential bidder, must be provided through written response only. Such clarification, if provided, must be made uploaded on BISP website through Minutes of Pre-bid meeting or separately, as the case may be.
- In case of receipt of different rates of applicable Taxes, by the participating firms then evaluation

of financial offers will be carried out strictly in accordance with clauses contained in bidding documents. DD(G&S) shall ensure applicable duties and taxes prior publishing the bidding documents.

- Applicable Taxes in such cases will be determined on the advice of F&A wing which shall be considered part of the financial offer of all participating firms
- Repeat orders can be given to the supplier while remaining within permissible limit as contained in PPRA Rules. Repeat orders can only be issued by implementing wing upon recommendations of procurement wing and soliciting approval of PAO.
- Direct contracting/single source selection can only be undertaken after declaration of particular brand/specification/authorized agent as Proprietary by the designated committee, duly approved by PAO. Details are included in chapter 11 of this manual.
- Contracts of Life or goods insurance can only be concluded with State Life and NICL, respectively. Such cases must be processed for engaging these state owned entities through direct contracting. However, if it is established that rates/services offered by these State Life and NICL are exorbitant/sub-standard than guidance may be obtained from PPRA to engage any other firm through open competitive bidding.
- Obtaining confirmation of Bank Guarantee from the issuing bank or any document provided by the supplier/consultant (pay orders, bank statements, experience certificates etc) is “mandatory”. Any firm found involved in the provision of fake documents or misrepresentation of facts will be blacklisted in accordance with PPRA Rules,2004.
- The price reasonability committee, when constituted, will obtain market prices through open source. An increase of price against cash in the open market may be viewed in consideration of applicable taxes, sellers’ margin due timelines involved in the release of payments and provision of securities/guarantees involved in public procurement.
- Advance payments can be made to the supplier, provided the such term is contained in the contract and duly publicized in case of open competitive bidding. The supplier will require to provide an equal amount of Advance Bank Guarantee (not the insurance Guarantee) for the release of payment within the time period specified in the contract. The advance payment can only be released after confirmation of the advance Bank Guarantee from the issuing Bank. The Advance Bank Guarantee will remain valid beyond 30 days of delivery of Goods and shall be released after the expiry of the validity period.
- Bank Guarantee can be obtained in the shape of a CDR/Pay order or Demand Draft provided such instruments are valid till the expiry of the warranty period. In case of Advance Bank Guarantee, it shall be released within 30 days of receipt of deliverables.
- All contracts must contain necessary 3<sup>rd</sup> party guarantee i.e., Bank Guarantee or Professional Liability insurance
- A “shortlisted register” will be maintained by the procurement wing against the respective category of procurement. At least 3 firms shall be selected for issuance of bidding documents from the shortlisted list of firms. All those firms having meaningful business with BISP, in past, shall be included in the list of shortlisted firms, against their respective category of goods/services.
- Suppliers Performance register will be maintained at the procurement wing by DD(CMS).
- All contracts worth 50 Million and above shall make a mandatory provision of beneficial

ownership information of the company as prescribed in the standard Performa contained in “Declaration of Beneficial Owners Information of Public Procurement Contract Awarded Regulations, 2022”.

- All Procurements of GoP are to be governed under standard bidding documents available at PPRA website. National Standard Bidding Documents pertaining to procurement of general Goods are attached as Annexure A for ready reference.
- procurements under World Bank will be governed under Standard bidding documents contained in World Bank Regulations and procurements under ADB projects will be governed under standard bidding documents contained in ADB Regulations.
- Inspection of goods shall be undertaken by the designated Inspection committee duly approved by Secretary (BISP). The committee shall submit its report on the standard GRIR form( Goods Receipt and Inspection Report) to be made part of the contracts, where inspection is needed. The committee shall inspect the goods as per contractual specifications and make their recommendations accordingly. Goods not conforming to contractual specifications shall be rejected.
- Director (Field Admin) will be overall responsible for contract implementation in case of contracts/deliveries to be made at Field offices. Inspection committees shall preferably constitute members from the field/regional offices duly approved by PAO. Depending upon the nature/value/sensitivity of the case, officials of BISP HQ can also be made part of the Inspection committee duly approved by PAO.

### Contract Management & Payment Cycle

A brief description of the Contract Management & Payment Cycle is shown on the next page:-

Figure 7 - Contract Management Cycle



## **CHAPTER – 7**

### **Procurement Grievance Redressal System**

Constitute the Grievance Redressal Committees (GRCs) in accordance with the letter and spirit of the provision of sub-rule (1) of Rule 48 of Public Procurement Rules, 2004 is mandatory for all public entities. The same is reproduced as under: -

“The procuring agency shall constitute a committee comprising of the odd number of persons, with necessary powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract”.

BISP as a public entity is required to constitute a Grievance Redressal Committee. Detail on how to constitute the GRC is provided under subsequent paras.

#### **Purpose**

The purpose of the formation of GRC is to provide the prospective/participant bidders with an efficacious remedy from the very beginning of the procurement process regarding addressing the complaints (against the eligibility parameters, evaluation criteria or any other terms and conditions prescribed in the bidding documents if found contrary to the regulatory framework as referred in sub-rule 2 of Rule 48 of Public Procurement Rules, 2004) as well as addressing the grievances raised after issuance of technical and financial evaluation reports (as referred in other sub-rules of Rule 48).

To achieve the above-referred objective this is essential that the GRC should be constituted well in advance of the procurement process as an efficacious remedy for the resolution of such complaints and grievances, and hence the members of the GRCs should have the essential expertise of the procurement management, related technical discipline (as per the practices of that trade) as well as an understanding of the legal aspects of the procurement. Further, the GRC should be empowered enough to take independent decisions either to fully/partially maintain or set aside the decision of the Procurement Evaluation Committee without being influenced by such committee, its members, or the Principal Accounting Officer. In case of the unavailability of senior officials/experts within the BISP having such requisite expertise and integrity, the BISP is required to formulate the GRC by borrowing the officials from some other Ministries, Divisions, Departments or Organizations etc. In case the same BISP has to make different category/nature of procurements, more than one GRC should be constituted considering the respective category/nature of procurements.

#### **Constitution of Compliant Handling Committee**

A committee shall be constituted comprising of the odd number of persons, with the necessary powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract. The following may be a composition of the committee;

**Grievance Redressal Committee  
In accordance with PP Rule - 48(1)**

*Table 2 - GRC Composition*

Sr. No	Name & Designation	Position in the committee	Mailing Address	Tele. No	Fax.	Email Address
1.	DG of any wing other than procurement, member of evaluation committee and user wing having expertise of procurement management, related technical discipline	Chairperson				
2.	Director/Deputy Director of any wing other than procurement, member of evaluation committee and user wing having expertise of procurement management, related technical discipline	Member				
3.	Director/Deputy Director of any wing other than procurement, member of evaluation committee and user wing having expertise of procurement management, related technical discipline	Member				

**Complaint Registration**

Any party may file its written complaint against the eligibility parameters, evaluation criteria or any other terms and conditions prescribed in the bidding documents if found contrary to the provisions of the procurement regulatory framework, and the same shall be addressed by the grievance redressal committee (GRC) well before the proposal submission deadline.

Any bidder feeling aggrieved by any act of the BISP after the submission of his bid may lodge a written complaint concerning his grievances within seven days of the announcement of the technical evaluation report and five days after the issuance of the final evaluation report.

In case, the complaint is filed against the technical evaluation report, the GRC shall suspend the

procurement proceedings.

In case, the complaint is filed after the issuance of the final evaluation report, the complainant cannot raise any objection to the technical evaluation of the report:

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

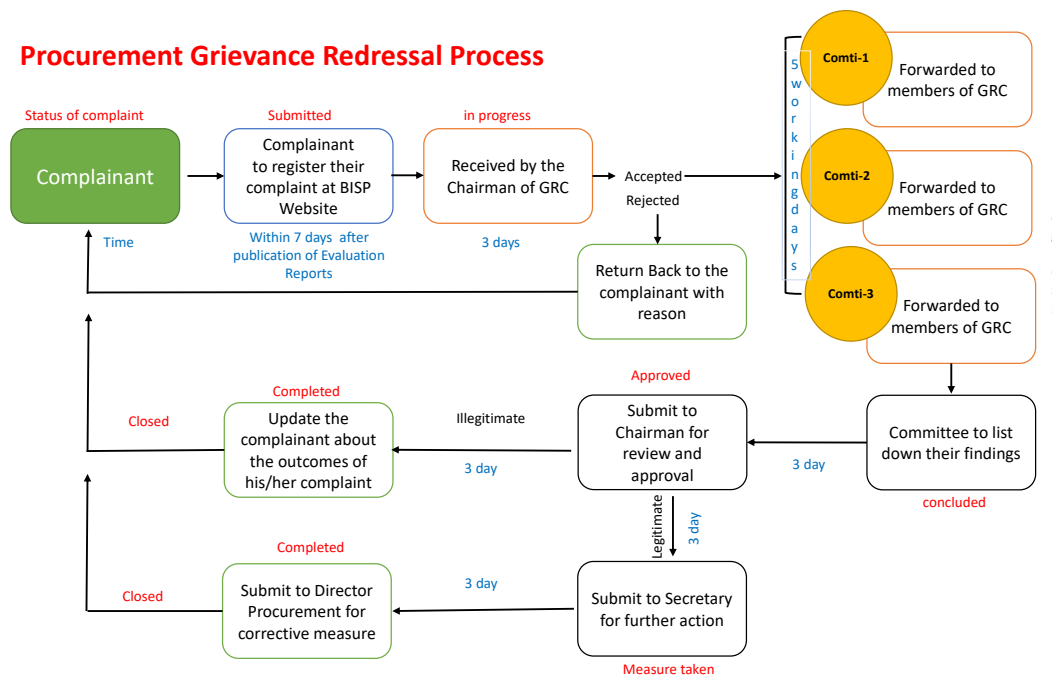
### Mode of the complaint Registration

All procurement complaints may be registered online by following the following link <https://pcp.bisp.gov.pk/complaint.aspx> . The complainant should fill out the form by following the instructions available on the BISP website under the tab of Procurement Complaint Management System and provide evidence(s) (if any). Any complaint related to procurement may not be entertained if not received through the above-mentioned online complaint registration mechanism.

### Compliant Handling Process

The GRC shall investigate and decide upon the complaint within ten days of its receipt. Following is the stepwise process;

Figure 8 - Complaint Handling Process



All the proceedings of the committee shall be recorded in the online complaint handling system by the committee including the decision of the committee. The System has the capacity to generate the reports i.e., total numbers of complaints received, addressed or rejected etc.

## TORs and General Instruction to Grievance Redressal Committee (GRC)

- (i) The GRC shall perform its function as per the provisions of PPRA procurement rules and regulations
- (ii) The GRC will be headed by any DG other than the chairman procurement evaluation committee subject to approval by PAO. The Committee shall be comprised of odd numbers of members (other than the evaluation committee) including the Chairman;
- (iii) The GRC shall have full powers and authorization. It shall be independent enough to strike down a decision of the evaluation committee & PAO, including the decision to award a procurement contract to a particular bidder without any fear of reprisals by the senior management of the BISP whose decision is subjected to challenge before GRC on the complaint in writing launched by the aggrieved party;
- (iv) The Legal Advisor BISP shall be a full or maybe a co-opted member of this GRC, and
- (v) Any individual from the procurement Section and User Wing of BISP shall not be part of this GRC.

The GRC should ensure;

- (i) **Transparency and Confidentiality**  
The Complaint Redressal committee shall take every precaution to maintain transparency and confidentiality in its proceedings. Thus, proceedings of the Committee shall be recorded in the system by logging in to the Procurement Complaint Management System.
- (ii) **Notification of complaints and Findings**  
The complainant will be notified of receipt of his/her complaint within 03 working days. The findings of the enquiry/grievance redressal shall be notified to the complainant immediately within 03 working days upon completion of the committee's proceedings.

## Appeal

Any bidder or party not satisfied with the decision of the GRC may file an appeal before the PPRA within thirty days of communication of the decision subject to depositing the prescribed fee and in accordance with the procedure issued by the PPRA. The decision of the PPRA shall be considered final.



## **CHAPTER -8**

### **Blacklisting Procedure**

Blacklisting means; temporarily or permanently, barring an entity or a person against whom proceedings have been initiated including but not limited to the bidder, contractor, supplier, agent, consultant, company, partnership or firm; hereinafter referred to as, Respondent from participating in any future procurement of goods, works and services.

The extent and applicability of the blacklisting procedure are contained in PPRA Rule 19 which shall supersede all existing procedures/practices. However, for the purpose of simplicity, the Respondent (s) individually or collectively as a consortium may stand blacklisted if found to have been involved in any or all of the following acts:

- i. Undermines or adversely affects the operations of the BISP through any of the following:
  - a. Failure or refusal to:
    - accept Purchase Order/Work Order;
    - execute work;
    - submit Bank Guarantee as per terms of the bidding document;
    - fulfil contractual obligations as per contract;
    - meet purchase order/work order terms and conditions; and/or
    - remedy to underperformance as per contractual obligations.
    - Or any other non-compliance of obligations vital for the execution/compliance of the contract.
  - b. non-performance.
- ii. Indulgences in corrupt or fraudulent practices while obtaining or attempting to obtain contracts in the BISP.
- iii. Convicted of fraud, corruption, tax evasion or criminal misappropriation by a court of competent forum.
- iv. Notified blacklisted/debarred/cross debarred by any public sector organization or international agency. In this regards the contractor has to submit a certificate that he or his principal is not declared blacklisted/debarred/cross debarred by any public sector organization or international agency.

- v. Furnished information that was false and materially inaccurate or submitted forged or fake documents.

#### Debarment of Natural Terms

- a) Pursuant to blacklisting proceedings, the following shall stand disqualified and debarred from participating in BISP tenders or contracts, for the time period specified by the Blacklisting committee and approved by PAO.
  - i. In case of a company; all directors including its Chairman, Chief Executive and Chief Financial Officer.
  - ii. In case of partnership; all partners

#### Debarment of Associated Companies or Entities

Where a company or an entity has been blacklisted, all its associated or subsidiary undertakings whether by way of common directorship, common management and control, shareholding or direct or indirect control through directors of the blacklisted entity etc shall also stand disqualified from participating in BISP tenders or contracts for the time period specified by Blacklisting committee and approved by PAO.

### **Blacklisting Committee**

- a) The Principal Accounting Officer, BISP shall constitute a Blacklisting Committee with at least three members. The Chairman of the Committee shall be an officer of the rank of Director General and one member of the rank of Director. The ADG/Director (Procurement) shall act as the Member/~~Principal Accounting Officer~~ of the Committee. Any suitable representative of the respective wing shall act as Secretary of the committee.
- b) The Committee deliberations as a guiding principle shall be based upon adequate evidence. Consideration shall be given as to how much credible information is available, and its reasonableness in view of surrounding circumstances, and inferences which shall be drawn from the existence or absence of affirmed facts. The assessment shall include all documents available and presented.

### **Proceedings for Blacklisting**

- a) ADG/Director (Procurement) on his own accord or on receipt of information or a complaint shall refer the matter to the Blacklisting Committee within 03 working days after its constitution and approval from Principal Accounting Officer, BISP.

- b) Committee may, on information received from any resource, issue Show Cause Notice to a bidder or Contractor Containing the following who shall submit Written Reply within the period of 07-Days:-
  - i. Precise allegation, against the bidder or contractor
  - ii. The maximum period for which the Committee proposes to debar the bidder or contractor from participating in any public procurement of the BISP or otherwise; and
  - iii. The statement, if needed, about the intention of the Committee to make a request to the concerned authority for debarring the bidder or contractor from participating in public procurements of all the procuring agencies.
- c) An effort shall be made for electronic communication of all notices and other documents pursuant to this mechanism or process.
- d) In case, the bidder or contractor fails to submit written reply within the requisite time, the Committee may issue notice for 'Personal Hearing' to bidder or contractor/authorize representative of the bidder or contractor and the Committee shall decide the matter on the basis of available record and personal hearing if available.
- e) In case the bidder or contractor submits written reply of the Show Cause Notice, the Committee may decide to file the matter or direct issuance of a notice to the bidder or contractor for personal hearing.
- f) The Committee shall give minimum of seven (7) days to the bidder or contractor for appearance before the Committee for personal hearing.
- g) The Committee shall decide the matter on the basis of the available record and personal hearing of the bidder or contractor, if available.
- h) The committee shall decide the matter within Thirty (30) days from the date of personal hearing unless the personal hearing is adjourned to a next date and in such an eventuality, the period of personal hearing shall be reckoned from the last date of personal hearing.

### Findings/Decisions of the Committee

- a) The Committee after proceedings shall record its findings in writing and decide one of the following measures for implementation:
  - i. Temporarily debarred, specifying the time period;

- ii. Blacklisted if the Respondent fails to take remedial action within the specified time; or
- b) The committee shall communicate to the bidder or contractor the order of debarring the bidder or contractor from participating in any public procurement with a statement
- c) The Committee shall, as soon as possible, communicate the order of blacklisting to the PPRA with the request to upload the information on its website.
- d) If the Committee wants the PPRA to debar the bidder or contractor from participating in any public procurement of all procuring agencies or just in BISP or within or outside Pakistan on temporary or permanent bases, the Committee shall specify reasons for such dispensation
- e) After completing the proceeding for Blacklisting, the BISP Board shall be apprised about the decision of the Committee through Principal Accounting Officer BISP
- f) The Committee shall upload all the decisions, available with it, on its website. But the name of the bidder or contractor shall immediately be removed from the list of blacklisted persons on expiry of period of blacklisting or on the order of the competent authority to that effect, whichever is earlier.
- g) The documents, deliberations produced in writing and all records of proceedings shall be maintained for five years by the Implementing/Procurement Wing.

### Appeal

- a) Any bidder not satisfied with the decision of the Blacklisting Committee may lodge the review petition before PPRA within 30 days from the decision by Blacklisting Committee in accordance with PPRA Rule 19. The decision of the PPRA, in all such cases shall be considered as final.

## **CHAPTER -9**

### **Maintenance of Record and Freedom of Information**

#### **Record of Procurement proceeding:**

Record of procurement proceedings along with all associated documentation will be maintained for a minimum period of 5 years.

Such maintenance of records shall be subject to storage and preservation policy framed in this regard from time to time. Salient of the same is appended below:

The requirement received in the procurement wing will be given a fresh control number/file number by the procurement wing. A separate register is to be maintained for this purpose. File numbers shall carry the year and month of receipt along with numeric denomination in sequential order with reference to the original file number e.g. 1-159/BISP/Admin/GOP or ADB or WB/310422/06 [ wherein 1-159/BISP/Admin represents a reference to original file number; GOP or ADB or WB represents the source of funding; 31 represents services, 32 goods,33 contract management,34 procurement plan,35 internal audit,36 external audits and 37 miscellaneous; 04 represents the month of receipt; 22 represents the year of receipt; 06 represents the numeric sequence of particular financial year].

Procurement file shall contain 04 primary folders i.e Noting, correspondence, contract and misc folder wherein the Contract folder shall carry different file colour and contains all correspondence after the signing of the contract which may constitute but is not limited to the following:

- Original contract
  - Inspection report/GRIR
  - Copy of invoice, if held
  - Delivery Challan, if held
  - Proceedings of dispute resolution
  - Proceedings of disciplinary action, blacklisting etc
  - Original Bank Guarantee/ Pay order/CDR received as Bank Guarantee
  - Confirmation of Bank Guarantee, if received
  - Contact performance report
  - Proof of uploading contract on PPRA website, BISP website and reporting to NAB
- The miscellaneous folder, being the internal folder of the procurement wing only, shall contain DFAs and extra copies of relevant documents.
  - The correspondence folder may constitute but is not limited to the following documents:
    - Original bidding documents (IFB, ITB, EOI, RFP)
    - Attendance sheet, Minutes and Report of pre-bid meeting
    - Proof of uploading Minutes and Report of pre-bid meeting on the BISP website
    - Attendance sheet, Minutes and Report of Procurement Evaluation Committee
    - Proof of uploading the Report of Procurement Evaluation committee on the BISP and PPRA website
    - Financial offers will be an integral part of the correspondence folder. However technical

offers will be held separately. The file number will be written clearly, in the manuscript, on all technical offers received.

- Notification of award of contract
- Letters from suppliers, clarification of bids, grievances, Redressal, corrigendum, newspaper clippings etc.,
- Original procurement files along with technical and financial offers will be placed in racks and bins held in the procurement wing. The location of the file will be endorsed on each folder i.e., 3 G wherein 3 represents Rack(horizontal) and G(vertical) represents Bin
- At least 2 years' records (CFY and LFY) will be placed in Racks and Bins for ready reference and Audit purposes. The previous record can be placed in Almirah, a separate room or any other place, with a change in location number on the case file. However, under no circumstances the procurement record is to be placed on the floor, unattended or anywhere else other than under the direct supervision of the procurement wing.
- Record of pay orders/CDRs received as bid security to be maintained in separate register with following columns:

File Number	Description	Amount of Demand Draft/Pay order/CDR	Name of issuing Bank	Name of firm	Status
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- No file is to be handed over to any individual/wing without proper data entry
- Although No supplier is allowed to enter BISP premises without prior permission however room containing procurement record including procurement files, bid securities, bank guarantee etc is either to be manned or otherwise locked, specifically during lunch/prayer breaks/prolonged absence of record keeper.
- Record keeper(s) is to be nominated by Director Procurement on permanents basis. Record keeper will act directly under DD(Goods & Services). Duties under Record keeper ambit will be the overall responsibility of DD(Goods & Services).
- Procurement record is to be kept both in hard and soft copy.
- All procurement record to be maintained in hard file. Original set of bidding documents, technical/financial offers, Proceedings of pre-bid & PEC meetings and original contract to be converted into soft copy at the end of each financial year
- By 31<sup>st</sup> July each Financial year, it is to be ensured that complete procurement record of particular financial year is transferred in soft copy.
- Procurement Record of cases under any sort of Audit objection to be kept separately
- Procurement Record of cases under implementation phase such as hiring of Survey firms, operational review/ impact evaluation etc to be kept separately
- Summary of procurement cases processed by procurement wing in each financial year is to be maintained by a record keeper containing the following details:

File Number	Description	Participating firms	Contracting firm	Amount of contract	Status of Bank Guarantee
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- Preparation of procurement files in hard form.
- To allocate separate File numbers to each procurement case in chronological order.
- Relevant information on the file cover is to be properly typed and pasted on each folder after writing the text in the manuscript.
- The location of the file is to be clearly mentioned at the top right corner. All procurement files are to be placed at designated places including Technical and Financial Offers.
- Each Procurement file will comprise of 04 file covers i.e., Noting, correspondence, contract (Green colour) and miscellaneous (yellow colour). Separate folders/part files are to be clearly mentioned on top of all relevant procurement files.
- To ensure insertion of page numbers(with a pen) on each page of correspondence and noting side
- Noting side whenever required to refer any correspondence the same is to be referred with the relevant page number. Flagging, tagging, PUC, DFA etc may be referred to in addition.
- To keep a record of bid securities and Bank Guarantees in a separate register.
- To return bid securities to bidders
- To maintain the Supplier's performance register and Supplier's Short-Listing Register.

#### **Public Access and Transparency:**

As soon as a contract has been awarded the procuring agency shall make all documents related to the evaluation of the bid and award of the contract public.

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

## **CHAPTER -10**

### **Hiring of Individual Consultants Through Donors Funding**

BISP has a transparent policy about the recruitment of its staff. BISP has three types of employees including BISP regular employees, deputations and individual consultants. In case of hiring Individual Consultants by using the funds of donor organizations or GOP funded, the hiring process shall be carried out in accordance with the procurement guidelines of the respective donor Agencies i.e., World Bank/ADB or PPRA Regulations, as the case may be etc. Individual Consultants shall be selected on the basis of their relevant experience, qualifications, and capability to carry out the assignment, as published in the hiring advertisement which shall be determined by the BISP on the basis of the nature and complexity of the assignment.

In BISP, the hiring process of individual consultants through the Donor Organization's funding or PPRA Regulations, as the case may be shall be conducted in the following manner:

1. User wing, on arising the need of individual consultants for specific tasks/deliverables/assignments, shall develop TORs, get them approved by the Competent Authority and forward them to HR Wing.
2. HR Wing will forward the TORs to the Donor Agencies (WB/ADB) for obtaining NOL from the concerned Donor/Partner organization.
3. Upon receipt of the No objection letter (NOL) from the respective Donor Organization, an Expression of Interest (EOI) with the approval of a Competent Authority, will be published in daily Newspapers along with uploading the same on PPRA and BISP's official websites.
4. In case of World Bank financed positions, the said activity shall also be included in the procurement plan and uploaded on the World Bank's STEP portal by the Procurement Wing for online clearance of the Bank. Proposed budget of assignment, duly approved by Secretary (BISP) to be conveyed by HR wing for uploading on STEP.
5. Interested candidates will apply directly to BISP and undergo a screening test, if so publicized in the Job Advertisement.
6. After necessary scrutiny/screening test, the successful/passed candidates will be called for an interview through email as well as telephone calls to appear before the Departmental Selection Committee (DSC) if so, publicized in the Job Advertisement.
7. The departmental Selection Committee (DSC) will carry out a short listing of participating consultants and convey them to the HR wing for further processing. Short Listing will be done strictly following publicized criteria.
8. All members of the Departmental Selection Committee (DSC) will declare a "Conflict of Interest" (if any) before the meeting starts. The shortlisted candidates are also required to disclose their conflicts of interest (if any).
9. Minutes of the meeting of the DSC shall be recorded and submitted for approval of the Competent Authority after having a reference check of the selected candidate.
10. Approved minutes of DSC will be forwarded to the Donor Organization for seeking their No objection for recruitment of selected candidate, by the HR wing.
11. Upon receipt of the no-objection letter from the Donor Organization, an offer for appointment will be issued to the selected candidate through email and thereafter



12. Formal office order will be issued upon submission of verified degrees by the selected consultant.
13. After the issuance of the office order, a copy of the signed contract agreement will be shared with the Donor Organization.
14. In the case of the World Bank financed position, information regarding selected candidates including the No objection letter of the World Bank, offer letter for the appointment, office order and signed Contract Agreement shall be uploaded on the World Bank's STEP Portal by the Procurement Wing.
15. The procedure of hiring a consultant and hiring a consultancy firm is the same
16. HR wing may hire consultants by following 3 CV methods, provided that consultants being considered for applying under this method must have gone through an advertisement and short-listing process, as stated above.
17. Job advertisement will contain appropriate "Selection Method" being adopted under particular hiring i.e., Least Cost Method, Quality based or Quality and Cost based Selection.
18. In the case of the Direct Selection of consultants, provisions of PPRA Regulations 3D will be adhered to.

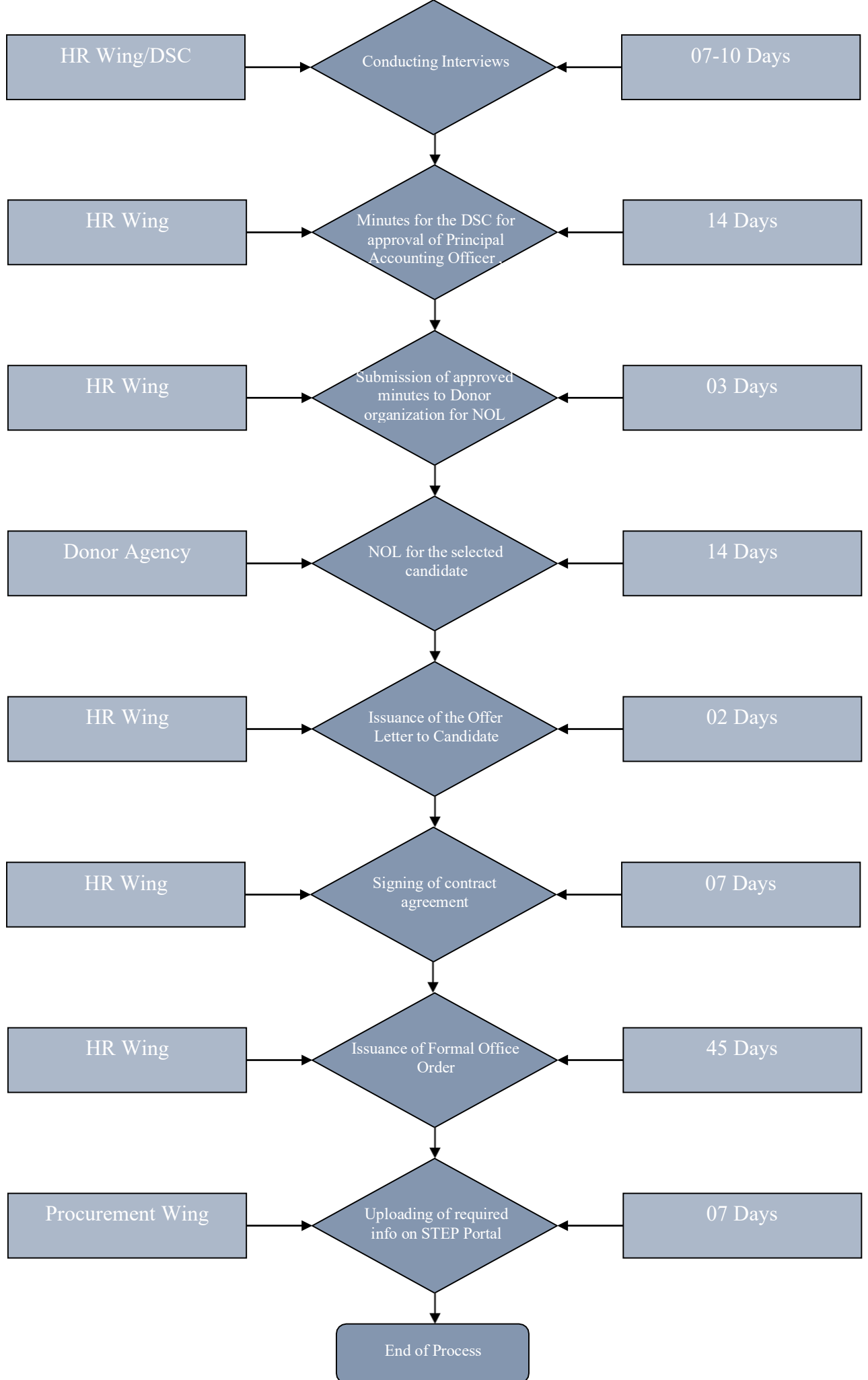


Figure 9 - Individual Consultant Selection Process

## **Chapter 11**

### **Single Source or Direct Selection**

This method will be used only in exceptional cases, where it provides a clear advantage over the competition in the following cases (only), namely:-

- a. For tasks which are a natural continuation of previous assignments and where continuity of technical services is unavoidable;
- b. Repeat orders not exceeding 15% of the contract value
- c. In cases of emergency
- d. Provided that BISP shall specify appropriate fora vested with the necessary authority to declare an emergency;
- e. where only one consultant/supplier is qualified or has experience of exceptional worth with reference to clause (c) or (d) of rule 42 of the Public Procurement Rules, 2004
- f. The procurement concerns the acquisition of spare parts or supplementary services from the original manufacturer or supplier:
- g. Provided that the same is not available from alternative sources;
- h. Only one manufacturer or supplier exists for the required procurement:
- i. Provided that Secretary (BISP) shall specify the appropriate Fora, which may authorize procurement of proprietary objects after due diligence; and
- j. Where a change of supplier would oblige BISP to acquire material having different technical specifications or characteristics and would result in incompatibility or disproportionate technical difficulties in operation and maintenance:
- k. Provided that the contract or contracts do not exceed three years in duration;
- l. When the price of goods, services or works is fixed by the government or any other authority, agency or body duly authorized by the Government, on its behalf; and
- m. for the purchase of a motor vehicle from local original manufacturers or their authorized agents at the manufacturer's price.

### **Procedures for Selection under Single Source Selection.-**

(a) The justification for the single source selection method shall be examined in the context of the overall interests of the BISP to ensure economy and efficiency and provide equal opportunity to all eligible consultants, therefore, the decision to use single source selection method shall be approved in writing by Secretary (BISP) on recommendation by a Committee; and

(b) The request for proposals or TOR, as the case may be, shall be issued to the selected consultant/firm and the selected consultant/firm shall be requested to submit a technical and financial proposal upon the receipt of which discussions shall be held between the proposal evaluation committee and the selected consultant and all aspects of its proposal, whether technical or financial, shall be discussed together in order to reach an agreement or contract.

In case of donor-funded projects, conditions and procedures contained in respective regulations shall be followed.

# **Benazir Income Support Programm**

## **Nurturing Women Empowerment**

BISP Head Quarter, F-Block,  
Pak Secretariate,  
Islamabad