



22 March 2010

Rehan A Riaz,
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Sub: Ref: IBA Letter dated 2 November 2009 and 19 March 2010

Dear Sir,

Transparency International Pakistan refers your 19 March 2009 letter on wrong application of Public Procurement Rules 2004 in IBA. TIP on 7 November 2009 also informed IBA about this rule that "QCBS" Quality Cost Based Selection method, is not allowed in Public Procurement Rules 2004, but no response was given to TIP at that time.

We would like to inform IBA that Public Procurement Rules 2004 have been amended by Sindh Government on 8th March 2010, and new rules Sindh Public Procurement Rules, 2010 have been notified vide Notification NO. SORI(SGA&CD)2-30/2010. They are available on www.sindhppra.gov.pk and www.transparency.org.pk

In these rules also Least Cost Selection Method is the default Method, and QCBS Method has been allowed subject to the reason that the procuring agency is convinced that LCS Method is not applicable due to the nature of Project, and that the procuring agency

72. Methods for Selection of Consultants - The selection system shall be determined by the procuring agency prior to issuance of the Request for Proposals from interested consultants. A procuring agency may adopt one of the following methods for selection of consultants, keeping in view nature of the assignment:

(1) Least Cost Selection Method

(a) this method shall be adopted for assignments of standard or routine nature where well-established practices and standards exist; (b) financial proposals of only technically qualified firms shall be opened. The firm with the lowest quoted cost or bid shall be selected. (c) procuring agency may adopt any other method as deemed fit with reason to be recorded in writing by the competent authority.

(3) Quality and Cost Based Selection Method - This method shall be used only where; (a) the Terms of Reference are well-defined and Quality is of prime consideration, while cost is a secondary consideration; (b) the firm which attains the highest combined weighted technical and financial score according to the criteria mentioned in the bidding documents shall be selected.

Kindly note that QCBS is allowed where the procuring agency certifies that the cost is a secondary consideration for the project, and for your current project LCS method shall be adopted as it is of standard or routine nature and well-established practices and standards exist

Yours Sincerely,

Syed Adil Gilani
Chairman