



**TRANSPARENCY
INTERNATIONAL-PAKISTAN**


5-C, 2nd Floor, Khayaban-e-Itehad, Phase VII,
Defence Housing Authority, Karachi.
Tel: (92-21)-5390408, 5390409, Fax: 5390410
E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk

7th November, 2009

Dr. Ishrat Hussain,
Director,
Institute of Business Administration,
University Road,
Karachi

Fax. 99261508

Sub: Transparency International Pakistan Recommendations on IBA Draft Procurement
Policy and Procedures (PP&P)
Ref: IBA Letter dated 2 November 2009

Respected Ishrat Sahib, 

Transparency International Pakistan appreciates your efforts for implementing Public Procurement Rules 2004 in IBA, and making the IBA Procurement Policy and Procedures (PP&P).

TIP has examined the Draft Policy, and congratulates you for an excellent efforts. However, the most vital Rule violated in the PP&P, is use of "QCBS" Quality Cost Based Selection method, which is not allowed in Public Procurement Rules 2004, and in case of Services Rule No 36 (b) is applicable

The rules states that " after the evaluation and approval of the technical proposal the procuring agency, shall at a time within the bid validity period, publicly open the financial proposals of the technically accepted bids only. The financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidder the financial proposals of bids shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance; and the bid found to be the lowest evaluated bid shall be accepted.

This is to inform that any other method of selection like PEC prescribed method of QCBS at 80:20 for technical and financial weight ages is not allowed by PPR, and all such contracts awarded will be declared mis-procurement under PP Rule No 50.

This is to highlight that Consultants are selected after lengthy exercise of 3 stages. 1st is the are to be licensed by PEC. 2nd when the prequalification is done by procuring agency. And 3rd when the technical proposal is evaluated for compliance and non compliance of TOR, SoW and Clients requirement & Conditions. After passing the technical evaluation



which may be based on marks scored above threshold of 65% (or more as stated in RFP) in individual section as well as overall scoring, or compliance-non compliance criteria.

For your information, I am enclosing a table where QCBS is used with 90:10 heritage for technical:Financial scores, and a firm quoting 100% higher cost than the qualified lowest bidder is awarded the contracts. This is the normal practice in Pakistan and abroad. Most of the Consultants debarred by World Bank and Asian Development Bank, like Lahmeyer International GmbH (Lahmeyer) (Bhasha Dam Consultants debarred for 7 years by WB) are due to wrong application of QCBS.

Kindly also be informed that QCBS shall also not be applied in Works & Goods procurement, which is the recent trend being adopted by procuring agencies to favour bidders.

The changes to delete QCBS are needed on page 22, 55 [PEC Guidelines for Services not allowed], and 60. On page 24 Integrity Pack is to be replaced with Integrity Pact. On page 46, last para rule (42) (d) is to be replaced with rule (42) (a)

Yours Sincerely,

Syed Adil Gilani
Chairman,



TRANSPARENCY INTERNATIONAL-PAKISTAN

5-C, 2nd Floor, Khayaban-e-Itehad, Phase VII,
Defence Housing Authority, Karachi.
Tel: (92-21)-5390408, 5390409, Fax: 5390410
E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk

Form IVC, QCBS—Combined Technical/Financial Evaluation—Award Recommendation

Annex-A

Consultants' names	Technical Evaluation (80 Marks)			Financial Evaluation (20 Marks)			Combined Evaluation	
	Technical scores ^a S(T)	Weighted scores S(T) × T ^b	Technical rank	Financial scores ^c S(F)	Weighted scores S(F) × F ^d	Scores S(T) T + S(F) F	Rank	
A	98	78.4	1st	50	10	88.4	1st	
B	85	68	2 nd	75	15	83	2 nd	
C	75	60	3 rd	100	20	80	3 rd	

Financial Evaluated Offers.

- A. Rs 100 Million
- B. Rs 70 million
- C. Rs 50 million