

**GOVERNMENT OF PAKISTAN
PLANNING COMMISSION
PLANNING AND DEVELOPMENT DIVISION
(WATER RESOURCES SECTION)**

No. 8(60)WR/PC/2012


Islamabad January 24, 2012

OFFICE MEMORANDUM

Subject: Use of Standard Bidding Documents of Pakistan Engineering Council (PEC) - Pakistan Procurement Regulatory Authority (PPRA) Notification of 11th July, 2008 SRO805(1)/2008

A meeting on the subject was held under the chairmanship of Member (Infrastructure), Planning & Development Division on 5th January, 2012, to remove anomalies between PEC procedures and PPRA Rules (2004).

2. Minutes of the subject meeting are annexed here for your kind consideration please.


(Sarfaraz Ahmad)
Deputy Chief (Water)

1. Engineer M. Musaib Qureshi, Pakistan Engineering Council, Islamabad.
2. Mr. Abdur Rauf Shaikh, Pakistan Engineering Council, Islamabad.
3. Engineer M. Mazhar-ul-Islam, PIC&C, Pakistan Engineering Council, Lahore.
4. Mr. Khalid M. Lodhi, Director, Public Procurement Regulatory Authority, Islamabad.
5. Engineer Sayed Adil Gilani, Transparency International – Pakistan, Islamabad.
6. Mr. Ghazanfar Ali, Deputy Secretary-II, Planning & Development Division, Islamabad.
7. Mr. Muhammad Asif, Deputy Chief (T&C), Planning & Development Division, Islamabad.
8. Mr. Javed Sikandar, Deputy Chief (Governance), Planning & Development Division, Islamabad.
9. Mr. Iqbal Ahmad, Deputy Chief (PP&H), Planning & Development Division, Islamabad.
10. Mr. Tariq Mahmood, Accounts Officer (A&B), Planning & Development Division, Islamabad.

Cc:

- i. PS to Member Infrastructure, Planning & Development Division, Islamabad.
- ii. Chief (Water Resources), Planning & Development Division, Islamabad.

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**Subject: Use of Standard Bidding Documents of Pakistan Engineering Council –PPRA
Notification of 11th July, 2008 SRO805(1)/2008**

A meeting was held under the Chairmanship of Member (Infrastructure), Planning and Development Division on 5th January, 2012, at 1500 hours, to remove anomalies between PEC procedures and PPRA Rules (2004). List of Participants is annexed.

2. The Chairman of the meeting welcomed the participants of the meeting and desired to brief the subject matter.

3. The Chief (Water Resources), Planning Commission informed that Pakistan Engineering Council's Standard Bidding Documents were prepared in consultation with Water Resources Section of the Planning Commission and were circulated on 21-8-2002 and the same were published in the Gazette of Pakistan on 4-9-2002. Later on, the ECC of the Cabinet in its meeting held on 20-5-2004 regarding Case No. ECC-47/3/2004, it was inter-alia, decided that "all public sector agencies should adopt the approved PEC Standard Bidding documents and with effect from 1st July 2004. Since then Pakistan Engineering Council's Standard Bidding/Contract documents are under implementation by all the federal and provincial government agencies. He said that after the 9 years of implementation of PEC's Documents, Public Procurement Regulatory Authority (PPRA) has indicated some anomalies between PEC procedures and PPRA Rules (2004); and requested to withdraw the regulations requiring use of PEC Standard Bidding documents, which is not understandable.

4. The representative of PPRA explained that the Public Procurement Regulatory Authority is an autonomous body endowed with the responsibility of prescribing regulations and procedures for public procurements by Federal Government owned public sector organizations with a view to improve governance, management, transparency, accountability and quality of public procurement goods, works and services. It has also the mandate to monitor procurement by public sector organizations and has delegated necessary powers under the Public Procurement regulatory Authority Ordinance 2002. He said that the PEC's documents are being used by public organizations because PPRA has notified PEC's documents as mandatory. Therefore, PEC should not assume the responsibility and authority to regulate procurement of engineering works, services and goods; as PEC is an organization established by the Act of 1976 to regulate the engineering profession only through licensing and registration.

5. The representative of Transparency International indicated anomalies between PEC procedures and PPRA Rules (2004) like methods of selection of consultants and performance security; and said that PPRA Notification regarding use of Standard Bidding Documents be withdrawn. He further said that the use 80:20 method under PEC's SBDs increases the cost of the project; SIDA's project is an example; in which cost of the project increased about USD 9 million.

6. Representative of Pakistan Engineering Council informed that in 1996 no standard bidding document was available; therefore, to reduce the unprofessional conduct in development sector, the task of preparation of Standard Bidding Documents was assigned to PEC by the Planning Commission. He further informed that since 1997 Bye-laws Committee of Pakistan Engineering Council has prepared about 19 standard documents. He also clarified that PEC's Documents are not Pakistan Engineering Councils document but, these are the documents of Government of Pakistan, in fact; approved by the ECC.

7. Representative of Pakistan Engineering Council said that in January 2008 PEC has been given mandate by the ECC to regulate all engineering works, services and goods. However, informed that the supremacy of act/law prevails all the time and can only be changed by the Parliament.

8. The Chief (Water Resources) said that documents of PEC and PPRA are not perfect, therefore, it is suggested that both set of documents be reviewed and improved by the committee comprising experts / professional from PEC, PPRA, Planning Commission and Corporate Sector.

9. Representatives of PPRA, TI and PEC agreed upon the proposal of reviewing the documents by the experts. The Water Resources Section of the Planning Commission will work as earlier a focal agency.

10. It was also observed that Cost Institute of PEC has not delivered the objective of quality control with least cost. Therefore the release of project payment may be held till further consideration. Concluding the deliberations, the Chair decided with concurrence of PPRA, TI and PEC to constitute a Committee under the chairmanship of Chief Water Resources Section, comprising representative of PEC, Director PPRA, representative of TI and 3 experts to prepare a comprehensive document after reviewing the PPRA and PEC documents.

11. The meeting was adjourned with a vote of thanks from the Chair.

LIST OF PARTICIPANTS

1. Mr. Ghulam Mohayud Din Marri, Member (Infrastructure), Planning Commission, Islamabad
2. Syed Naseer Ahmad Gilani, Chief(WR), Planning & Development Division, Islamabad
3. Mr. Ghazanfar Ali, Deputy Secretary-II, Planning & Development Division, Islamabad
4. Mr. Muhammad Asif, Deputy Chief (T&C), Planning & Development Division, Islamabad
5. Mr. Javed Sikandar, Deputy Chief (Governance), Planning & Development Division, Islamabad
6. Engineer M. Mazharul Islam, PIC&C, Pakistan Engineering Council, Lahore
7. Engineer M Musaib Qureshi, Pakistan Engineering Council, Islamabad
8. Mr. Abdur Rauf Shaikh, Pakistan Engineering Council, Islamabad
9. Mr. Khalid M. Lodhi, Director, Public Procurement Regulatory Authority, Islamabad
10. Engineer Syed Adil Gilani, Transparency International – Pakistan, Islamabad
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12. Mr. Iqbal Ahmed, Deputy Chief (PP&H), Planning & Development Division, Islamabad