



9th June, 2010

Mr. Hafizur Rehman,
Managing Director,
Public Procurement regulatory Authority,
Islamabad

Subject: Violation of Public Procurement Rules, 2004 Request for Proposal for Hiring of
Consultants for "Designing Portal, Company Directory & Industry Verticals Coverage
PPRA Letter dated 4 June 2010

Dear Sir,

Transparency International Pakistan refers to PPRA letter dated 4th June 2010 on the subject referred above.

The PPRA through this letter is stating that the method prescribed by PSEB that final evaluation would be carried out on the basis of composite score comprising 60% weight age for technical and 40% for financial factors which is quoted by PSEB as the correct Method of Evaluation, and is allowed in Public Procurement Rules 2004.

TIP has always been stating that submitted lowest bid is not the lowest bid, but only the lowest evaluated substantially responsive bid is to be awarded the contract.

Transparency International Pakistan assures PPRA that it is working for the implementation of Public Procurement Rules 2004, and has been working for across the board application of these rules since its notification in June 2004.

We quote the difference between QCBS Method for your information.

Public Procurement Rules 2004, Rule 36 (b)	QCBS Method proposed by PSEB	Difference
viii) 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 bidders;	Marks Technical 60% (50% for the Portal) Financial 40% (50% for the portal) The aggregate weight age of Company Profile and Technical Proposal Evaluation shall be 60% except for "The portal component" where this weight age will be 50%. Firms securing this evaluation score will be considered as technically responsive. Financial proposals of only technically responsive firms will be opened	No difference



vii) The financial proposals of bids shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance;	Financial proposals of only technically responsive firms will be opened.	No difference
ix) the bid found to be the lowest evaluated bid shall be accepted.	The weight age of financial bids will be 40% except for the portal where this weight will be 50%.	In QCBS Method of PSEB Lowest evaluated financial Bid is not selected as the lowest evaluated substantially responsive bidder.

Kindly note that there is already a 3 tier of scrutiny for consultants under the PPRA Rules. When the firms have been technically evaluated and only those firms who are evaluated as responsive to clients retirements are to compete for financial competition, lowest evaluated financial firm shall be awarded the Contract. In most of the cases of Consultancy, firms are also required to be qualified and registered with Pakistan Engineering Council, which is also based on the technical capacity of the firms. In most cases short listing /prequalification of consulting firms is also processed, which is second step of elimination of non-qualified firms, though they are awarded licensed by PEC.

TIP again refer to following rule;

*(h) "lowest evaluated bid" means,-
a bid most closely conforming to evaluation criteria and other conditions specified in the bidding document; and having lowest evaluated cost;*

In order to amend this rule for Consultants , PPRA in 2006 prepared Public Procurement Regulations for Procurement of Consultancy Services, which is posted on PPRA website, and are not approved since last 4 years, as TI Pakistan has raised serious objections on these draft rules, which negate the whole concept of Transparent Procurement. In these draft rules, PPRA under Rule 9 (4) has tried to changed the definition of lowest bid as;

" The bidder whose technical and financial proposal is the most advantageous shall be ranked highest and his bid shall be treated as lowest evaluated bid".

This draft amendment has not yet approved by PPRA Board. itself proves that the definition lowest bid in Rule 2 (h) means the responsive bid with the lowest evaluated cost.

With Regards,


Syed Adil Gilani
Chairman,