



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

The process of tendering is described in Rule No. 36.

36 (b) (v) the procuring agency shall evaluate the technical proposal in a manner prescribed in advance, without reference to the price and reject any proposal which does not conform to the specified requirements;

(vi) during the technical evaluation no amendments in the technical proposal shall be permitted;

(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;

(vii) the financial proposals of bids shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance;

and

(ix) the bid found to be the lowest evaluated bid shall be accepted.

Public Procurement Rules, 2004 have eliminated all discretions in procurement process, and the Rule No. 36 (b) is applicable on the selection of Consultants on NHA i.e. the lowest evaluated responsive firm, passing the minimum passing score to be awarded the Contract.

Accordingly only Least Cost Method LCS is permitted in PPRA Rules, and the only alternate method allowed in case cost is not the consideration, is the single source Method.

SBP has stated that weight-age is allowed to be determined as per PPRA Rules, TI Pakistan stands by its determination that this is a wrong method and not allowed under Public Procurement Rules, 2004, and is a mis-procurement.

The Draft Public Procurement Regulations for Procurement of Consultancy Services prepared by PPRA and displayed on PPRA website since last two years, includes QCBS method and LCS Method and 4 other Methods also.

Kindly note that it is still a Draft, and not made Rule of PPRA.

Now PPRA has proposed QCBS & LCS Methods, which confirms that presently only LCS Method is allowed by PPRA.

PPRA has proposed QCBS & LCS Methods for following type of assignments;

(b) Quality and cost based selection (QCBS).- This system will be used where high quality is the prime consideration while cost is a secondary consideration.



(e) **Least cost.**- This system will only be used for assignments of standard or routine nature, where well established practices and standards exist.

Explanation of Least cost Selection LCS: This method is most commonly used for selecting consultants for assignments of standard or routine nature (audits, engineering design of noncomplex works, and so forth) where well-established practices and standards exist.

- a) A "minimum" qualifying mark for the "quality" is established. Proposals, to be submitted in two envelopes, are invited from a short list.
- b) Technical proposals are opened first and evaluated. Those securing less than the minimum qualifying mark are rejected, and the financial proposals of the rest are opened in public.
- c) The firm with the lowest price shall then be selected.
- d) Under this method, the minimum qualifying mark shall be established, understanding that all proposals above the minimum marks compete only on "cost."


The rationale of SBP that according to the PPRA Rules, lowest evaluated cost is not to be considered, proves to be wrong, as PPRA itself in the Draft Rules (not yet approved, and TI Pakistan and many others have sent written objections) states that **QCBS is used where cost is of secondary consideration.**

SBP, NHA, CDA and many others are awarding Consultancy Contracts mostly for Roads, Highways, Building, IT, and Bridges, which falls under LCS as for these assignments of standard or routine nature, well established practices and standards exist

The Selection Method (QCBS) of SBP for weight-age of technical proposal to be 80% and weight-age of financial proposal to be 20% is a discretionary method, where the Highest Priced Offer can be awarded Contract based on manipulated higher Technical Score. A sample case on SBP Method of 80:20, is quoted (copy attached) for your information, where one Consultant who quoted Rs 100 million, was awarded Contract over the technically qualified Consultant who quoted Rs 50 million.

Sir, QCBS Method allows discretion and is most vulnerable to manipulation. We are ready to give a presentation to the PAC to explain the CBS process described by Pakistan Engineering Council.

Your sincerely,


Syed Adil Gilani,
Chairman

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

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 ^c	Scores S(T) T + S(F) F	Rank
A	90	72.4	1st	50	10	82.4	1st
B	85	68	2nd	75	15	83	2nd
C	75	60	3rd	100	20	80	3rd

Financial Evaluated Offers.

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