



STATE BANK OF PAKISTAN
SBP BANKING SERVICES CORPORATION
ENGINEERING DEPARTMENT
HEAD OFFICE
KARACHI

No.ED/ 2227 / KP-61-2014

September 15 , 2014

The Chairman,
Transparency International,
5-C, 2nd Floor, Khayaban-e-Ittehad,
Phase VII, DHA, Karachi.

Subject: VIOLATION OF PUBLIC PROCUREMENT RULE 2004, DIRECTOR ENGINEERING DEPARTMENT, SBP BANKING SERVICES CORPORATION (BANK), KARACHI'S TENDER NOTICE FOR CONSTRUCTION OF BACHELOR HOSTEL ROOM.

Dear Sir,

This is with reference to your letter dated 11th August, 2014.

We may like to advise that State Bank of Pakistan strictly follows the requirements provided under PPRA Regulations-2004.

Our observations on the issue raised by you, regarding implementation of PPRA Rule No.38 for acceptance/rejection of bids, are as follows;

1. As per PPRA Rule No. 2(h) "lowest evaluated bid" (referred to in the Rule-38 above) defined as:
 - a. a bid most closely conforming to evaluation criteria and other conditions specified in the bidding document; and
 - b. having lowest evaluated cost

So under Rule-38 if any bid is not in conformity with tender documents (such as conditional offer, altered / incomplete financial proposal, alteration in BOQ / specification, altered contract format etc.) the bid will be liable for rejection even if it is the lowest price bid as per PPRA Rule-2004.

2. PPRA Rule No.33 envisages as follows:

"The procuring agency may reject all bids or proposals at any time prior to the acceptance of a bid or proposal. The procuring agency shall upon request communicate to any supplier or contractor who submitted a bid or proposal, the grounds for its rejection of all bids or proposals, but is not required to justify those grounds.

The procuring agency shall incur no liability, solely by virtue of its invoking sub-rule towards suppliers or contractors who have submitted bids or proposals."

So PPRA Rule-33 allows procuring agency to reject all bids under above said circumstances.

Under the pretext, we have been accepting/rejecting any bid/ all bids exercising PPRA Rule-38 read with PPRA Rule 2(h) and Rule No.33. It may also be advised that as per the schedule provided in the Tender Notice, Technical bids for all the bids received by SBP by 4th September 2014 were opened in the presence of the bidders or their representatives and finalization of the same is in process.

You will appreciate that State Bank of Pakistan has been observing PPRA Regulations-2004 meticulously.

We hope that the above clarifies concerns raised in your above mentioned letter.

Yours Faithfully



Muhammad Rashid Shoaib
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