



STATE BANK OF PAKISTAN
Business Support Services Department
Procurement Division

No. BSSD (Pro Div)/ 518 / (Policy) - 2010

May 6, 2010.

Syed Adil Gilani (Chairman)
Transparency International – Pakistan
5-C, 2nd Floor, Khayaban-e-Ittehand, Phase VII
Defence Housing Authority, Karachi.

Dear Sir,

Sub: Violation of Public Procurement Rules, 2004 – RFP for Services of
Consultants for undertaking Independent review of Procurement Functions

Reference is made to your letter dated March 11, 2010 addressed to the Governor on the above subject.

We appreciate your keen interest in reinforcement of transparency in public procurement process and as an institution fully share the underlying guiding principles. It was in the same spirit that State Bank's Board of Directors internally adopted PPR 2004 in 2005. Moreover, it is pertinent to state that PPR 2004 is not this has shared with Public Procurement Regulatory Authority as well as the Ministry of Finance.

Coming to the two specific issues raised by you, we invite your attention to the fact that PPR 2004 outlines four different types of procedures. Adoption by SBP of single stage – two envelope procedure in the case under reference would prevent the argument that most responsive bidder should be awarded the contract as under the single stage approach not the lowest proposal but lowest evaluated bid would qualify. On the second point, we reiterate that Rules 29 & 23 (2-j) do support the evaluation criteria with point system for assessment of technical proposal as well as a formula for determining financial scores. However, we do agree in general that the point system could be improved further though under the referred case we believe it to be sufficiently detailed and robust for related purposes & compatible to the ones adopted in similar instances.

While we trust that the foregoing clarifies the position appropriately, we welcome your input/suggestions in respect of developing further modalities in support of infusing further transparency in the bidding process, which we assure you remains a matter of primary concern to the State Bank of Pakistan.

Yours truly


(Hussain Abbas)
Deputy Director