Procurement Manual

Revised Version
2019
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# Abbreviation and Acronyms

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<tr>
<td>BISP</td>
<td>Benazir Income Support Programme</td>
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<td>EOI</td>
<td>Expression of Interest</td>
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<td>Public Procurement Regulatory Authority</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>RFP</td>
<td>Request for Proposal</td>
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<td>PEC</td>
<td>Procurement Evaluation Committee</td>
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<td>Standard Operating Procedure</td>
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<td>Bill of Quantities</td>
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<td>Goods Receiving &amp; Inspection Report</td>
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<td>NTN</td>
<td>National Tax Number</td>
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<td>GST</td>
<td>General Sales Tax</td>
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<td>NOC</td>
<td>No Objection Certificate</td>
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INTRODUCTION

Various Ministries, attached Departments and subordinate offices, Public Sector Enterprises and other Government (including autonomous bodies), spend a sizable amount of their budget on procurement of Goods, Works and Services to discharge the responsibilities and duties assigned to them.

The Ministries/departments have been delegated powers to make their own arrangements for procurement of goods under the Public Procurement Regulatory Authority Ordinance, 2002 and Rules framed thereunder, which have to be exercised in conformity with this Manual for Procurement and the same has to be treated an additional document having a supplementary nature and in case of inconsistency with the statuary provisions, rules, financial, vigilance, security, safety, counter-trade and other regulations, orders, legislations, and guidelines enacted, passed and sanctioned by the Government on the subject of public procurement than the same shall be prevailed.

As such, without purporting to be a comprehensive compendium of all such procurement guidelines this procurement manual is intended to serve as a portal to enter this vast area and draw attention to basic norms and practices governing public procurement by BISP being a body corporate established through Benazir Income Support Programme (BISP), Act 2010 (Act XVIII of 2010). Therefore, this manual provides guidance on procurement policies and procedures to harmonize procurement approaches and encouraging consistency whereby efficiency may be enhanced.

More so, it clarifies the principle of segregation of responsibilities between Implementing Wings/Sections and the Procurement Wing of BISP by specifying several, separate and distinct functions under the overall procurement cycle. Moreover, cooperation between the Implementing Wings/Sections and the Procurement Wing will ensure value addition in the processes.

Nevertheless, the processes defined in this Manual shall remain mutatis mutandis applicable with the provisions of the Financing/Project/Implementing agreements that BISP and/or Govt. of Pakistan either have signed or shall sign for the functioning of BISP.
CHAPTER - 1

OBJECTIVES OF THE MANUAL

Procurement is a most important process during execution of a project or operations. Most of the time success of a project is dependent upon successful and timely completion of procurement processes which, supplements the execution of a project. Efficient Procurement can therefore have a significant impact on the success of a project.

Considering the pivotal role of procurement in BISP’s operations, the objective of this Manual is to provide basis for effective decision making in-line with principles of procurement i.e. economy, efficiency and transparency to help in achieving organizational goals besides value for money.

The broad objectives of the Procurement Manual are to assist BISP's Management with regard to the following areas:

- A framework for effective decision making in the area of Procurement & Contract Management.
- Consistent, fair and transparent interpretation of Procurement Policies for all Procurements.
- To make the operations of the BISP successful through timely, efficient and effective procurement and contract management.
- To avoid any conflict/grievance/complaint.
CHAPTER – 2

PROCUREMENT WING

To administer, all types of procurements, a dedicated Procurement Wing was established in BISP. This Wing is directly responsible for procurements of goods and services under BISP’s various Programs/Initiatives. The Procurement Wing is headed by Additional Director General (Procurement) who directly reports to the Secretary, BISP. The Wing has three Specialists as per Organogram given below:-

CORE RESPONSIBILITIES OF PROFESSIONALS:

Additional Director General (ADG) Procurement

The ADG (Procurement) shall be the person in charge of all the Procurement activities of the BISP. S/he will work under the direct supervision of the Secretary, BISP and will be responsible to provide assistance, technical guidance and capacity building with regard to:-

- Compliance with Public Procurement Rules of Public Procurement Regulatory Authority and the International Development Partners/Donor Agencies such as World Bank, Asian Development Bank, DFID, and USAID etc. for GOP and Donor supported projects respectively for procurement of goods and services.

ADG (Procurement) will have close coordination and communication with all the Wings/Units of BISP at HQ and Provincial, Regional & Tehsil Offices and other key stakeholders as appropriate. S/he will be responsible for the implementation of all procurement related policies and decisions.

**PROCUREMENT SPECIALIST (GOODS)**

S/he will work under the direct supervision of the ADG (Procurement) and will be responsible for procurement of Goods, including but not limited to IT/other office equipment, furniture/fixtures, printing and other related tasks. The incumbent will serve as the consultant for developing & updating all procurement procedures for goods under the project, and will provide support to the organization in development of standard bidding documents & procedures in line with the requirements of the Public Procurement Regulatory Authority & other donor agencies for procurement of goods. The Procurement Specialist will ensure compliance with Public Procurement Rules, 2004 of Public Procurement Regulatory Authority and the Donors such as World Bank, Asian Development Bank, USAID, DFID etc. for GOP and Donor funded projects related to the procurement of goods and assist in the improvement/implementation of the procurement processes and procedures.

**Qualifications:**

- 16 years of education in Management Sciences/Statistics/Economics/Engineering or related field from reputable/recognized local or foreign institution. A diploma/degree in the field of Procurement Management from reputable local or foreign institution shall be preferred.

**Experience:**

- Minimum five (05) years of experience in the procurement processes, development sector demonstrating evidence of achieving results to responsible positions.
- Significant Procurement Experience on public / private projects involving procurement of goods, works & services including Information and Communication Technology.
- Sufficient command over procurement rules and guidelines of PPRA, World Bank and other donor agencies in accordance with international best practices.
- In-depth understanding of procurement cycle management.
- Proven ability to work in a collaborative, team environment.
- Excellent command on MS office.
- Familiarity with Government structures, operations, and procedures.

**PROCUREMENT SPECIALIST (SERVICES)**

S/he will work under the direct supervision of the ADG (Procurement) and will be responsible to execute Consultant Services’ Procurement. The incumbent will serve as the consultant for developing & updating all procurement procedures for consultant services under the project, and will provide support to the organization in development of Standard Request for Proposals & protocols in line with the requirements of the Public Procurement Regulatory Authority & other donor agencies for procurement of consulting services. The Procurement Specialist will ensure compliance with Public Procurement Rules, Regulations and Guidelines of Public Procurement Regulatory Authority and the Donors Agencies such as World Bank, Asian Development Bank, USAID, and DFID etc. for GOP and Donor funded projects related to the Procurement of consultant services and assist in the improvements/implementation of the procurement processes and procedures.

**Qualifications:**

- 16 years of education in Management Sciences/Statistics/Economics/Engineering or related field from reputable/recognized local or foreign institution. A diploma/degree in the field of Procurement Management from reputable local or foreign institution shall be preferred.

**Experience:**

- Minimum five (05) years of experience in the procurement processes, development sector demonstrating evidence of achieving results to responsible positions.
- Significant Procurement Experience on public / private projects involving procurement of goods, works & services including Information and Communication Technology.
- Sufficient command over procurement rules and guidelines of PPRA, World Bank and other donor agencies in accordance with international best practices.
In-depth understanding of procurement cycle management.

Proven ability to work in a collaborative, team environment.

Excellent command on MS office.

Familiarity with Government structures, operations, and procedures.

**CONTRACT MANAGEMENT SPECIALIST**

S/he will work under the direct supervision of the ADG (Procurement) and will be responsible to execute Contract Management of all ongoing contracts ensuring that all parties under the contractual obligations meet their tasks and responsibilities as efficiently and effectively as possible, delivering the services as established in the contract. The incumbent will serve as the consultant for developing & updating all contract management procedures, and will provide support to the organization in development of standard contract administration / management documents & protocols in line with the requirements of the Public Procurement Regulatory Authority & other donor agencies for contract management. The Contract Management Specialist will ensure compliance with contractual terms & conditions in line with the requirements of Public Procurement Rules and Regulations, prescribed by the Public Procurement Regulatory Authority and Donors Agencies such as World Bank, Asian Development Bank, USAID, DFID etc, for its borrowers/partners. This requires close coordination and communication with all the Wings/Units of BISP at HQ and Provincial, Regional & Tehsil Offices, representatives from primary stakeholder, external consultants and field staff. S/he will develop all contract administration / management procedures and implementation thereof which shall serve as the basis for all managerial decisions.

**Qualifications:**

- At least 16 years of education with a degree in Business/Public Administration, Law (with specialization in Contract Law), Project Management or related field from reputable local or foreign institution. PMP certification would be a plus.

**Experience:**

- Should have minimum five (05) years of professional experience in drafting and managing contract agreements in the public development and/or corporate sectors.
• Should have significant experience in handling legal/contractual matters of public/private projects involving drafting contract agreements, contract management, system controls & feedback.

• Demonstrated leadership and management skills.

• Experienced in dispute resolution, capacity building and training within the context of contract management;

• Excellent knowledge of relevant rules and legislation of public/corporate sector and donor agencies including international contractual best practices.

• Should have an in-depth understanding of all the legal matters related to contracting & contract management cycle.

• Proven ability to work in a collaborative, team environment.

• Should have excellent command on MS office, MS Project/Primavera.

• Familiarity with Government structure, operations procedures.
The Procurement cycle is a cyclical process of key steps for procurement of goods, works or services. Stages of procurement cycle are divided into two broad categories i.e. pre-award stage and post award stage. Pre-award stage includes the procurement planning, requirement definition, tendering/sourcing and evaluation/selection of suppliers/vendors/service providers; and the Post Award Stage comprises contract award and contract management. Pre-award stages of any procurement activity are critical because post award stage activities are entirely dependent upon the outputs of pre-award stage activities. If requirements of any procurement activity are not worked out properly in pre-award stage, those can't be revisited during post-award stage. Stages of procurement cycle are described as under:-
SECTION II: PROCUREMENT PLANNING

Planning plays a vital role in the success of any procurement process as without proper planning, it would be difficult to achieve the desired results. In procurement, planning is considered as of paramount importance to identify the potential procurement requirements of the organization at the beginning of a financial year, in consultation with end-user wings so as to initiate the procurement process well in time and ensure the availability of goods, works and services at the right time, right place, and at right cost, for implementation of planned activities without any delay.

Procurement planning is a process of deciding as what and when to buy and from which source. During the procurement planning process, a procurement method is assigned to an activity keeping in mind its nature, and the expectations that are linked with the fulfillment of procurement requirements, are determined. It helps to determine if the expectations are realistic; particularly the expectations of the requesting wings, which usually expect/pre-empt that their requirements shall be met on short notice as against the application of the corresponding procurement method. It allows to devise a procurement strategy for each activity that is included in the procurement plan. Such strategy includes a market survey and determining the appropriate applicable procurement method given the requirement and the circumstances. Procurement Wing estimates the time, earmarking timeline for each procurement step that would be followed for a particular procurement method, which is required to complete a procurement process and award of contract in respect of each procurement activity. This is a valuable information as it serves to confirm if the requirement can be fulfilled within the given time period as per expectation of the requesting wing.

In terms of Rule 8 of the Public Procurement Rules, 2004, it is obligatory for a public sector procuring agency to devise a mechanism for detailed planning for its all proposed procurements, with the intent of realistically determining the requirements commensurating with its available resources, scheduling delivery time or completion date and benefits to be achieved. Therefore, it will be incumbent upon BISP to work out all the procurement requirements on annual basis at the beginning of each financial year based on the availability of financial resources to meet those procurement cost. In order to ascertain the requirement, Procurement Wing of BISP at start of each financial year will collect the requirements from each Wing/Office for the said purpose.
Based on the requirement received from different wings, Procurement Wing will review it with reference to its inclusion in the procurement plan for a specific financial year separately for each category i.e. Services, Goods, Individual Consultants and Works. During procurement planning stage, following key processes will be followed:

1. Estimation of activity cost.
2. Identification of procurement method as per provision of relevant Rules/Guidelines.
3. Realistic timelines for each procurement step.

Estimated cost of the activity would be worked out by Procurement Wing in consultation with the End-User Wing through market survey or on the basis of analogous and bottom-up estimating techniques as the case may be depending upon the nature of activity and available information.

Once the estimated cost is worked out, procurement method would be selected depending upon the nature of procurement activity from relevant Rules/Guidelines.

On the basis of selected procurement method, realistic timelines for each step of procurement would be drawn considering the mandatory requirement of timelines involved at different stages like response time, validity period of bids/proposals, etc. Once timelines are finalized, the same would be reflected in the respective procurement plan by Procurement Wing.

Once the procurement plan will be finalized, the same will be submitted to the Competent Authority i.e. Secretary, BISP for approval and thereafter it will be published on BISP as well as PPRA's websites by Procurement Wing. The procurement plans are live document and will be continuously updated based on the progress of planned procurement activities, suspension of any activity or on receipt of any fresh proposal on the basis of organizational requirement.

If any additional requirement of any Wing will emerge at later stage during the year in order to meet the operational requirement, the said Wing will record proper justification that why activity was not anticipated at start of financial year and will submit the case for approval of Secretary, BISP. Upon approval of activity from the Competent Authority, Procurement Wing will update the respective Procurement Plan and upload the same on PPRA and BISP websites before initiation of procurement process. However, such type of practice will be discouraged. In order to discourage such practice, Procurement Wing will coordinate with all Wings at start of
financial year to collect the maximum requirement so as to avoid frequent updation of procurement plan during the financial year.

The following workflow diagram summarized the procedure:-
CHAPTER-4

CONSTITUTION AND MANDATE OF PROCUREMENT EVALUATION COMMITTEE

The evaluation process adopted for the selection of suppliers of goods and consulting firms for services shall be carried out in accordance with the eligibility/qualification and evaluation criteria specified in the Bidding Document/RFP. A Procurement Evaluation Committee (PEC), with the appropriate mix of technical and practical knowledge and skills, will help to ensure that the procurement process should be completed in timely manner by following the timelines given in the Procurement Manual for various procurement activities in order to ensure best outcome.

The Procurement Wing shall have the overall responsibility for coordinating and preparing evaluation reports, in accordance with the prevalent rules & regulations after due consultation with members of the Procurement Evaluation Committee. However, evaluations shall frequently require inputs from relevant staff, particularly those with technical knowledge of the respective areas. The Secretary, BISP may select the most appropriate member or members of staff to conduct each evaluation. The Procurement Evaluation Committee (PEC) comprising of the members in odd numbers drawn from the concerned technical division/section shall be constituted in advance i.e. 7-10 days before the due date of receipt of bids/proposals. One of the members at Director General levels shall be designated as Chairperson and one member of Additional Director General/Director level as member/secretary of PEC.

While identifying the staff to provide inputs to an evaluation or to be members of an evaluation team, the Competent Authority will consider the type of skills, knowledge or experience required while constituting the PEC, which might include:

- Procurement and contracting skills;
- Technical knowledge;
- Financial management skills;
- Legal expertise;
- Representation by the end user; and
- Specialist knowledge or experience.

Note: In case of non-availability of particular expertise in-house, BISP Management may co-opt any member for the PEC from other Ministries, Departments/Organizations.
If need arises, the Competent Authority constitute a sub-committee of PEC to assist the PEC on certain technical matters.

General functions of the PEC shall be as follows: -

- Ensure that the proposed procurement actions are based, inter-alia, on fairness, integrity and transparency, and as such are impartial and unambiguous.
- Examine and provide general advice regarding the financial implications of any proposed procurement action, comment where appropriate as to whether, in its view, the proposed action, inter alia, is in the best interest of the BISP, and advises to the extent to which it seems that the proposed contractual instrument is appropriate and practical to administer.
- Ensure that appropriate funds are available to cover the cost of the proposed procurement/contract.
- Ensure that the proposed procurement/contract is the lowest responsive technically evaluated/acceptable recommendation(s).
- Ensure that each member/evaluator must submit his/her scores within the given time period after receiving complete documents for evaluation.
- Completion of evaluation within as early as possible.
- Notwithstanding the foregoing, the PEC shall not be responsible for reviewing or providing advice on the adequacy or necessity of the requirement being met under the proposed procurement action, nor for substituting its opinion on how to conduct a particular procurement action. Such responsibility shall rest with Procurement Wing and the Implementing Wing who will submit the request to Procurement Wing.

The Chairperson of the PEC shall be designated by the Secretary, BISP. The Chairperson of the Committee shall be responsible for the following:-

- Approving submissions/Working Papers for inclusion in the PEC agenda.
- Reviewing submissions prior to PEC meetings, and if necessary, requesting clarifications, and/or additional information from the Procurement Wing and/or Implementing Wing.
- Convening and chairing PEC meetings.
- Promoting fairness, integrity and transparency throughout the procurement process by ensuring no member of the Committee is forced to change his/her opinion and give fair room to all the members to record their thoughts/concerns.
Notifying the approving authority of rejected or deferred procurements by the PEC, if any. Specifying at meetings and thereafter, in the PEC written minutes, the reasons for rejections or deferrals of procurements, and making recommendations for remedial action, where appropriate.

Submitting PEC minutes and recommendations signed by all members including Chairperson of the PEC for consideration and approval of the Competent Authority within 3-5 working days after the conclusion of the meeting.

Nominating a member of the PEC to serve as Acting Chairperson in the absence of the Chairperson with the prior approval of the Secretary, BISP.

The representative of the Procurement Wing shall be the Member/Secretary of the PEC. Under the general supervision of the Chairperson, the Secretary of the PEC shall be responsible for the following:

- Arranging and coordinating PEC meetings.
- Ensuring the timely and efficient distribution of presentations/working papers and relevant documentation such as evaluation sheets to PEC members.
- Drafting the minutes of PEC meetings and the PEC’s recommendations.
- Preparing PEC-related correspondence.
- Liaising with Chairperson and Implementing Wings on issues involving PEC procedure, requesting additional information or clarifications to procurements, and any inquiries raised by PEC members regarding the procurement under review.
- Maintaining a permanent record of all PEC minutes/recommendations.
- Compiling statistics on the workload, activities and other matters pertaining to the PEC.
- Following approval by all members, signing PEC recommendations and minutes, and promptly forwarding these to the Chairperson for his/her signatures and further action.

The PEC and sub-committee, if constituted any, shall be briefed about:

a) The method for evaluation;
b) Evaluating the proposals strictly in accordance with the evaluation criteria set out in the RFP/Bidding Documents;
c) Keeping the process confidential;
d) Declaration of any conflict of interest.
e) Strictly prohibiting the members of the committee to contact bidders/firms who have
submitted their bids/proposals;

Keeping the proposals under safe custody at the end of the day (PEC will be given a separate room for evaluation of the proposals and to keep them under safe custody).

Before proceeding for evaluation, preliminary examination check shall ascertain that the bids:

- meet the eligibility requirements;
- have been properly signed;
- are accompanied by the required bid security;
- are substantially responsive to the requirements of the RFP/bidding documents; and are otherwise generally in order.

If any bid is not substantially responsive, that is, it contains material deviations from or reservations to the terms, conditions and specifications in the RFP/bidding documents, it shall not be considered further. The firm/bidder shall not be permitted to correct or withdraw material deviations or reservations once bids have been opened.

BISP may waive off any minor informality or nonconformity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any bidder.

No preferential treatment shall be given to bidders already working with BISP.

Any procedure, under which bids above or below a predetermined assessment of bid values are automatically disqualified, shall not be acceptable.

For goods and works, all substantially responsive bids shall be evaluated in detail as per the “Post Qualification Criteria” duly specified in the bidding documents. The following points should be noted:

- in case of goods, comparison of bids shall be on prices as per the delivery terms/price schedule defined in the Bidding Document.
- for both goods and works, evaluation shall exclude any allowance for price adjustment during the period of execution of the contract, if provided in the bid.
Bonus or additional credits for bid evaluation shall not be given for offered features that exceed the required standards or specifications, or earlier delivery schedule than specified in the bidding documents until and unless defined in the bidding document.

A detailed bid evaluation report covering all the aspects shall be prepared.

A firm/bidder shall not be required as a condition of award to undertake responsibilities for work not stipulated in the specifications or otherwise to modify his bid until and unless defined in the RFP/bidding document.

**Confidentiality and Conflict of Interest Declarations**

To guarantee the integrity of the procurement process, it is vital that members of the Procurement Evaluation Committee/Sub-Committee do not have a conflict of interest in the procurement under assessment and are required to record conflict of interest declarations. Records kept must include details of the action taken to manage the conflict of interest.

Overall procedure is summarized through work flow diagram given on next page:-
Constitution of Procurement Evaluation Committee 7-10 working days before the last date for submission of bids/proposals

Declaration of Conflict of Interest by members of Procurement Evaluation Committee Before start of evaluation process

Completion of Evaluation of bids/proposals Within 20-25 working days

Submission of recommendations of Procurement Evaluation Committee to Secretary for approval Within 3-5 working days after completion of evaluation.

End of Process
CHAPTER - 5
TIMELINES LINKED WITH SOME IMPORTANT PROCUREMENT PROCESSES

SECTION I : PROCUREMENT OF GOODS/WORKS

The procurement of Goods and Works would be conducted by following the prescribed methods and procedures as per the relevant Rules/Guidelines and if available by adopting the Standard Bidding Documents.

The requirement of stationery items at Headquarter will be met through Framework Contracting whereas for the requirement of printing material, a panel of pre-qualified firms will be enlisted for printing requirement upto Quotation limit.

Regional and Divisional Offices of BISP can purchase items of routine nature through Quotations in accordance with delegation of powers or on securing administrative approval from relevant authority. RFQ limit is Rs. 500,000/- for Goods and Rs. 100,000/- for other categories after following Request for Quotation method as per provision of Public Procurement Rules, 2004 in accordance with the SOPs defined in the Manual.

Some of the essential procedures pertaining to procurement of goods and works are explained below with timelines:-

**Packaging:**

In the procurement planning, details for each package/cluster are compiled and agreed upon before initiating action. The said planning is contingent upon proper and careful market surveys besides making realistic cost estimates in-house, based on the market surveys.

Keeping in view that services, goods and works are to be procured economically and efficiently, consistent with quality, appropriate individual packages/clusters should be made.

**Preparation of Bidding Documents**

Bidding Documents are the documents used to request potential bidders/consulting firms to offer a quotation, bid or proposal to provide the required goods, services or works. Preparation of bidding/request for proposal documents covers the process of assembling and formalizing the
information and documentation necessary for potential bidders to prepare responsive and easily comparable bids, consistent with the requirement and procurement strategy.

Bidding documents will be prepared well in-time after receiving complete requisition by Procurement Wing and create a “level playing field”, i.e. all potential bidders receive the same information at the same time, to prepare bids; measurable evaluation criteria that will allow bidders the same chances to receive the contract award; and ensures that the terms of the eventual contract are clearly expressed and thus bidders understand the rights and obligations they will be expected to enter into. All requirements shall be clearly expressed in terms that are conducive to receive a sufficient number of responsive bids so that the outcome will best meet the BISP’s needs.

Bidding documents shall be prepared elaborating therein all the necessities which are obligated as per the relevant Rules/Guidelines. Soon after preparation of bidding documents, Procurement Wing will obtain the approval of Secretary, BISP for bidding documents as well as publication of Invitation for Bids(IFB). After approval, IFB will be issued within 2-3 working days.

A record of all bidders who purchase the biding documents shall be maintained in an orderly manner besides ensuring the confidentiality of the said record. Proceeds generated i.e. the amount collected in the shape of pay order/demand draft/call deposit/bankers cheque will be handed over to F&A Wing for deposit into government treasury.

**Opening of Bids**

All bids received shall be opened in the presence of all bidders representatives who choose to attend. Participants shall sign a register/sheet prepared for the purpose as evidence of their attendance.

The bidder’s/consultant's name, bid prices, bid modifications or withdrawals, discounts, and presence or absence of the requisite bid security shall be announced during the opening of bids. The minutes of the bid opening, documenting the above, shall be prepared. No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the bidder(s).

Bids and modifications that are not opened and read out at bid opening shall not be considered
further for evaluation, irrespective of circumstances. Withdrawn bids shall be returned to the bidder unopened. All bids, especially Price Schedule, opened publically shall be signed by all the members of the Procurement Evaluation Committee who shall be present on the occasion. The Procurement Evaluation Committee shall record the reasons of the absence of any of its member(s) in the Minutes of the Meeting. Secretary, Procurement Evaluation Committee will prepare the minutes of the bid opening and get it signed from the members of the Procurement Evaluation Committee.

**Evaluation of Bids**

The purpose of evaluation is to objectively assess and compare all bids received, using a predefined methodology and criteria, to determine who is the successful bidder and to whom a contract shall be awarded. The evaluation process consists of the preliminary examination and evaluation of the offers received, and considered to be valid, to assess their responsiveness to specifications and requirements as defined in the bidding document, analyze their cost and benefit, and determine their price and value. Evaluation, together with the requirement definition and the evaluation criteria and method specified in the bidding document, is the basis for the subsequent selection of the bid that provides the best value for money for the organization.

Evaluation shall be conducted by a designated evaluation committee and in accordance with the relevant regulations, rules and procedures, using the evaluation criteria and method predetermined in the bidding document in order to conduct a fair and unbiased evaluation. The evaluation process shall be transparent, and therefore each step of the process shall be documented in the evaluation report which subsequently would be the basis for the recommendation of award. Evaluation process shall be completed within 30-45 working days by the Procurement Evaluation Committee after receipt of bids.

A well conducted evaluation should ensure that:

- Competition is fair and that all qualified bidders have an equal opportunity of winning the contracts;

- The procuring agency obtains the best value for money (VFM).

Consequent to the detailed evaluation of all the responsive bids, an Evaluation Report shall be prepared by the Procurement Evaluation Committee with clear recommendations. The recommendations of the Committee shall be submitted to the Secretary-BISP for necessary
approval by Procurement Wing within 2-3 working days after receipt of evaluation report. The approval shall be accorded within 5 working days of submission of the report. After approval of evaluation results by the Secretary, BISP Procurement Wing will immediately publish the evaluation results without any delay.

If the evaluation process is delayed for whatever reason, and the evaluation cannot be completed within the period of bid validity, a request will be made to all bidders to extend the validity of their bids.

**Award of Contract**

Contract shall be awarded to a bidder whose bid has been determined to be substantially responsive and who has offered the lowest evaluated price provided further that the bidder is determined to be qualified to perform the contract satisfactorily and meets the qualification criteria specified in the bidding document. Award of Notification will be issued by Procurement Wing on expiry of 10 days from the date of publication of evaluation results.

An Integrity Pact shall also be signed with the successful bidder as annex of Contract Agreement, if value of contract exceeds Rs. 10.00 million. All contracts having value of Rs. 50 million or above shall be reported to NAB under Section 33-B of National Accountability Ordinance, 1999.

Overall process of procurement of goods/works with timelines is summarized on next page:-
Start of Process

Preparation of Bidding Documents

Approval of Bidding Documents and Issuance of IFB

Procurement Wing

Within 02-03 working days after approval

Procurement Evaluation Committee

Within 03 working days

Secretary

Within 02-03 working days after approval

Opening of Bids

At-least 30 minutes after closing time

Procurement Evaluation Committee

Evaluation of Bids

Within 30-45 working days

Secretary

Approval for recommendation of Award

Within 05 working days

Procurement Wing

Publication of Evaluation Results

Immediate after approval

Procurement Wing

Issuance of Notification of Award

After expiry of 10 days from date of publication of award

End of Process

Approval of Bidding Documents and Issuance of IFB

Within 02-03 working days after receipt of requisition from the User Wing duly approved by Competent Authority

Preparation of Bidding Documents

Within 02 weeks after receipt of requisition from the User Wing duly approved by Competent Authority

Procurement Evaluation Committee

Evaluation of Bids

Within 30-45 working days

Secretary

Approval for recommendation of Award

Within 05 working days

Procurement Wing

Publication of Evaluation Results

Immediate after approval

Procurement Wing

Issuance of Notification of Award

After expiry of 10 days from date of publication of award

End of Process
SECTION II: REQUEST FOR QUOTATION - BISP HQ (GOP FUNDED ACTIVITIES)

This method would be used for procurement of routine items to meet day to day operational requirements of the organization. Administration Wing will be responsible for this method. While exercising this method, following procedure will be followed:-

Step#1:

Work out unambiguous specifications in view of requirement received from various Wings/Sections of BISP Headquarter. The administrative approval of such requirement shall be obtained from competent authority in advance within 3-5 working days after receipt of requirement before initiating procurement process.

Step#2:

A request for quotation (RFQ) shall be prepared and issued to desirably five locally based reputed vendors but not less than three in any case or Pre-Qualified vendors as the case may be, by giving 3-7 working days response time. The selected vendors must exclusively involve in the business for at least three years and have valid NTN & GST number. While issuing RFQ, it shall be ensured that same is signed by the designated authority and record of issuing of RFQ is retained in the file as reference.

Step#3:

Quotations received from the vendors will be opened by already notified Committee preferably in the presence of representatives of participating vendors. After opening of quotations, each page shall be signed by members of the Committee and evaluation shall be carried out within 3-5 working days as per the terms and conditions of RFQ. Comparative statement and minutes of meeting (if deemed necessary) shall be prepared and signed by the members.

Step#4:

The recommendations of the Committee shall be processed by Director Administration for approval of the competent authority. After obtaining approval, Purchase Order will be issued to the lowest evaluated vendor for supply of required quantity of items within the stipulated delivery schedule.
**Step#5:**

On receipt of the items, a Committee comprising representatives of Administration and F&A Wing will carry out the post delivery inspection to check compliance with the required specification, quality and quantity of the items. The Committee shall sign Goods Receiving and Inspection Report (GRIR) for record. On satisfactory report by the Committee, the items will be entered in the stock register by Store Keeper and verified by Director Administration. Store Keeper will also record the stock entry on delivery Challan submitted along with commercial invoice/bill.

**Step#6:**

Invoice/Bill along with GST duly verified by Director Administration along with delivery Challan and GRIR will be submitted to competent authority for approval of payment to the supplier as per procedure.

Overall process is summarized on next page:-
Start of Process

Obtaining of Administrative approval and Issuance of RFQ

Administration Wing 3-5 Working Days

Administration Wing 3-7 Working Days

RFQ Response Time

Completion of Evaluation

Procurement Evaluation Committee Within 3-5 Working Days

Approval for recommendation of Award

Competent Authority Within 2-3 Working Days

Issuance of Purchase Order

Administration Wing Immediate after approval

End of Process
SECTION III: REQUEST FOR QUOTATION-BISP REGIONAL/DIVISIONAL OFFICES

This method will be used by BISP's Regional and Divisional Offices for purchase of minor value items, office stationery including operational fixtures & fittings etc. through “Quotation Method”:-

Step#1:

Work out generic specification of the needed items/equipment by the concerned Office, to meet the requirement of field functionaries, under the domain of respective Provincial/Regional in-charge. The administrative approval of such requirement shall be obtained from competent authority in advance before initiating procurement process.

Step#2:

A request for quotation (RFQ) shall be issued to the reputed local based vendors (minimum three and ideally five) by giving 3-7 working days response time. The selected vendor must have their established outlet and valid NTN & GST number. While issuing RFQ, it shall be ensured that same is sealed and signed by the designated authority and record of issuing of RFQ retained in the file as reference.

Step#3:

Sealed quotations received from the vendors shall be opened by already notified Committee preferably in the presence of representatives of participating vendors. After opening of quotations, each page shall be signed by members of the Committee and evaluation be carried out as per the terms and conditions of RFQ. Comparative statement and minutes of meeting shall be prepared and signed by the members.

Step#4:

The recommendations of the Committee shall be routed through the concerned Regional Office for approval of Competent Authority and after approval, Purchase Order will be issued to the lowest evaluated vendor for supply of required quantity of items within stipulated delivery schedule.
Step#5:

On receipt of the quantity, the Committee shall sign Goods Receiving and Inspection Report (GRIR). On satisfactory report by the Committee, the items will be entered in the stock register by Store Keeper and verified by In-charge of the Office. Store Keeper will also record the stock entry on delivery challan submitted along with invoice/bill.

Step#6:

Invoice/Bill along with GST duly verified by In-charge of the Office along with following documents shall be forwarded to Administration Wing for processing of the case for payment to the suppliers:-

i. Delivery challan.
ii. GRIR.
iii. Copy of RFQs.
iv. Quotations received from vendors.
v. Recommendations of the Committee.
vi. Purchase Order.

The above mentioned procedure will be followed by all Provincial Directors General and Regional Directors to ensure transparency and efficiency in procurement process falling under “Quotation method”.

The above procedure is summarized through work flow diagram given on next page:-
Obtaining of Administrative approval and Issuance of RFQ

Concerned Divisional/Regional Office

3-5 Working Days

Concerned Divisional/Regional Office

RFQ Response Time

3-7 Working Days

Procurement Evaluation Committee

Completion of Evaluation

Within 3-5 Working Days

Competent Authority

Approval for recommendation of Award

Within 03 Working Days

Concerned Divisional/Regional Office

Issuance of Purchase Order

Immediate after approval

End of Process
SECTION IV: PROCUREMENT OF CONSULTING SERVICES

The acquisition of consulting services is based on project requirements supported by the administrative action and availability of funds for the implementation.

A shortlist threshold/benchmark shall be decided by the Procurement Evaluation Committee before evaluation of Expressions of Interest.

Advertising

Expression of interest notice will be issued by Procurement Wing within 2-3 working days after approval of Secretary, BISP as per the manner described in the relevant Rules/Guidelines.

Evaluation of Expression of Interests

Based on the Expressions of Interests Document received from the consulting firms, Procurement Evaluation Committee shall prepare recommendations for short-listing of firms with 20-25 working days after receipt of profiles. Procurement Wing will process the recommendations of the Procurement Evaluation Committee within 2-3 working days after completion of evaluation for approval of Secretary, BISP.

Invitation of Proposals

Once the short listed firms/consultants is approved by Secretary, BISP, Request for Proposal (RFP) shall be issued to the shortlisted firms within 5-7 working days to submit their proposals within the stipulated time period which normally shall be 30 days.

Evaluation of Proposals

Evaluation of Proposals shall be completed by the Procurement Evaluation Committee within 25-30 working days after opening of proposals and to submit its recommendations for award of contract. Recommendations of the Procurement Evaluation Committee will be processed by Procurement Wing within 2-3 working days for approval of Secretary, BISP. The approval shall be accorded within 5 working days of submission of the report. After approval of evaluation results by the Secretary, Procurement Wing will immediate publish the evaluation results.
If the evaluation process is delayed for whatever reason, and the evaluation cannot be completed within the period of proposal validity, a request will be made to all firms to extend the validity of their proposals.

**Award of Contract**

After evaluation of proposals by the Procurement Evaluation Committee, the contract shall be awarded to a firm as per prescribed criteria given in the RFP document and subsequent approval by the Competent Authority. Award of Notification will be issued by Procurement Wing on expiry of 10 days from the date of publication of evaluation results.

An Integrity Pact shall also be signed with the successful bidder as annex of Contract Agreement, if value of contract exceeds Rs. 10.00 million. All contracts having value of Rs. 50 million or above shall be reported to NAB under Section 33-B of National Accountability Ordinance, 1999.

The process with timelines are explained through process flow on the next page:-
Issuance of EOI Notice
Procurement Wing
Within 02-03 working days

Evaluation of EOI
Procurement Evaluation Committee
Within 20-25 working days

Processing of Recommendations for Shortlisting
Procurement Wing
Within 02-03 working days

Preparation & Issuance of RFP
Procurement Wing
Within 05-07 working days after approval for shortlisting

Evaluation of Proposal
Procurement Evaluation Committee
Within 25-30 working days

Processing of Recommendations of the Committee
Procurement Wing
Within 02-03 working days

Approval of Recommendations of the Committee
Secretary
Within 05 working days

Publication of Evaluation Results
Procurement Wing
Immediate after approval for recommendations of award

Issuance of Notification of Award
Procurement Wing
After expiry of 10 days from date of publication of award

End of Process
CHAPTER -6

Contract Management

Procurement and Contract Management are critical for any private or public sector organization. Substantial financial allocations are made available for procurement of goods, works and services out of public funds. For having best value for money it is essential that procurement processes should be in line with relevant rules and regulations. Transparency, efficiency, economy and fairness are the hallmarks of procurement. The stated objectives cannot be achieved unless efficient contract management system is evolved to complete a project/assignment within prescribed timelines to avoid cost and time overrun, otherwise it may offset the impacts of transparency and economy exercised in completion of procurement process. “A great contract at signing can be the worst six months later, unless someone is carefully managing its operation\textsuperscript{1}. Given involvement of different tiers, it would be imperative that all segments should work in tandem to achieve the desired objective. Timely payment to the service providers is another critical factor which contributes towards efficient contract management. Delay in payment as per prescribed timelines in the contract affects performance of the service provider which ultimately result in delayed execution and impedes accomplishment of the organizational goals and targets.

Concept of Contract Management

The term contract management refers to the procedure that allows a contracting authority to verify that a service provider is executing a project in accordance with terms and conditions of a contract providing services/supply the products that have been set forth in the RFP/ bidding document. It provides an oversight to top management of an organization about performance of a consultant/supplier to meet the acceptable outputs within prescribed timelines.

The terms “contract management” and “contract administration” are often used synonymously. However, “contract management” is commonly understood as a broader and more strategic concept that covers the whole procurement cycle including planning, formation, execution, administration and close out of a contract and goes beyond the day to day “administrative” activities in the procurement cycle.

The purpose of contract management is to ensure that all parties to the contract fully meet their

\textsuperscript{1}Procurement Head, University College, London.
respective obligations as efficiently and effectively as possible, delivering the business and operational outputs required from the contract and providing value for money. It also protects the rights of the parties and ensures required performance when circumstances change.

Contract management is similar to project management. Each contract is a mini-project. It has a unique goal, consumes resources, has a beginning and an end date, and requires coordination and planning of relevant activities, as well as documentation in a contract file throughout the process. Contract management includes monitoring and documenting performance. Ineffective contract management may lead to following risks:

- Decisions not taken at appropriate time during execution allow potential risk to appear which obstruct course corrections.
- Expected outcomes of a project may not be achieved.
- Under estimation of project implementation in terms of time and required human resource leading to deviations from the initial planning and possibly exceeding initial estimated budget.
- The project implemented at slow pace may result losing opportunities to improve value for money.

Following are the key factors for effective contract management;

i. Proper strategic decisions and need assessment while conceiving and defining scope of work.
ii. Effective monitoring and evaluation procedure/mechanism so as to monitor performance of a consultant/service provider.
iii. Professional/competent contract management team having required qualification and experience to manage the contract effectively.
iv. Preventive measures during execution of a contract.

Causes of delay in Contract Execution and Payment

According to standard provisions of contracts for procurement of Goods and Services, the client is under obligation to pay service providers against a particular deliverable on submission of an invoice as per agreed payment conditions. It is generally observed that delay in payment to the service providers may create the situation like breach of the contract, loss of confidence of service providers and litigation issues, etc. In order to avoid delay in payment, a need has been felt to devise a mechanism to streamline contract management and payment procedure. Generally, delay is attributed to the following factors: -
a. Controversies on the deliverables due to ambiguity and lack of clarity on the design and TORs already agreed between the parties;
b. Involvement of different tiers in inspection, sanction, budget and payment processes;
c. Absence of a proper contract management system, delineated roles and responsibilities of relevant tiers in contract management and payment process with timelines;
d. Delay in completion of deliverables by the service provider in accordance with the required standards of quality as per Contract Agreement.

As per practice in vogue in BISP, various Wings have their specific role in processing of payment of the supplier/service provider. Most of the observations raised by these wings for want of clarity on contract management issues resulting in wastage of considerable time.

For instance, Procurement Wing has to ensure that the action of the supplier/service provider is in line with the contractual obligations, the contract is amended to reflect agreed changes in circumstances, and that any claim or dispute is resolved amicably according to the terms and conditions of the contract. Payments for the goods or services are released by Finance & Accounts Wing, while overall Contract Management is the responsibility of the Implementation Wing.

During execution, Implementing Wing ensures that there is a shared understanding, on the distribution of responsibilities and systems and procedures are well in place to monitor and control contract performance and effectively deal with potential changes and disputes. The supplier/service provider should be considered a member of the project team, with all members striving for success. Upon signature of the contract, several steps are required to be taken to ensure that roles, responsibilities and obligations are clearly allocated among the parties and proper systems and procedures are put in place to monitor performance and keep efforts well focused.

**Contract file and documentation**

At BISP, the contract file is managed by the Implementing Wing. Any issues requiring clarification or any change in scope of the contract is documented in this file. The following documents normally are part of the contract file:
Other related documents preceding the contract finalization, such as requisition, bidding/RFP document, offers received, evaluation report, etc. are usually part of other related file which is maintained by the Procurement Wing. It is important to carefully document contract performance for the following reasons:

- It constitutes proof of performance.
- It constitutes evidence in the event of disputes.
- Its content forms the institutional memory.
- It is used for audit purposes.

**Contract analysis**

As soon as possible, Implementing Wing in close coordination with Procurement Wing should analyze the terms and conditions of the prospective contract and develop a contract work breakdown structure that reflects both the technical and administrative aspects of contract performance. The Implementing Wing and the supplier/service provider should agree on intermediate performance goals based on contract performance obligations. Intermediate goals will enable BISP to measure progress, detect significant performance variances, take corrective action, and follow up.

**Contract performance monitoring and control**

Once the contract has been awarded, it is the responsibility of the Implementing Wings to monitor performance, collect information, and measure actual contract achievement. This is essential for effective control. The resources devoted to these tasks, and the techniques used to perform them, will depend on the nature of the contract work, the size and complexity of the
contract, and the resources available.

Control points

Observing and collecting information should be based on the following:

- cost control
- schedule control
- compliance with specifications, terms of reference, statement of work (quality assurance and control)
- compliance with terms and conditions, paperwork requirements, and administrative aspects of the performance.

Dispute management and resolution

A proper clause will be added in every contract for procurement of goods and services for “Settlement of Dispute” with the following wordings:-

a. The Contract shall be governed by and construed in accordance with the laws of ISLAMIC REPUBLIC OF PAKISTAN.

b. If a dispute of any kind whatsoever arise between the BISP and the Supplier/Contractor/Service Provider in connection with, or arising out of, the Contract or the execution of the contract, whether during the execution of the Contract or after its Completion and whether before or after repudiation or other termination of the Contract, including any dispute as to any opinion, instruction, determination, the parties shall attempt to settle such dispute amicably within 30 days from the date a dispute actually started and reduced to writing. In case of failure to settle the amicably the matter shall be referred to Arbitrator who will proceed as per Arbitration Act 1940. The place of arbitration shall be Islamabad.

Arbitration

After coming into force of the procurement contracts, disputes between the parties shall be settled by arbitration for which the procuring agency shall provide for a method of arbitration in the procurement contract not inconsistent with the law of Pakistan.

Contract completion and close out

Contract close out activities are generally fairly straightforward, especially for small value contracts and purchase orders. However, in complex and high value contracts involving progress payments and/or securities, the Implementing Wing ensures that the contract file is properly closed out. The close out process ensures that all contractual obligations have been met, and that
residual obligations – such as warranties, guarantees and after-sales service and support are clearly defined in terms of responsibility, liability, procedures and timeframes. Contract close-out occurs once all contractual obligations have been fulfilled by the supplier/service provider. It also includes preparation of final contract performance report by Implementation Wing including lessons learned.

**Role of different wings in contract Management and Payment**

In order to streamline the efficient contract management and payment procedure, roles and responsibilities of concerned wings are delineated as under:-

**Implementing Wing/User department:**

Preparation of TORs

User Wing shall primarily be responsible for overall contract management starting from planning phase till conclusion of the contract. For efficient contract management it is of paramount importance that TORs/scope of work should be precise, lucid and comprehensive covering following key areas:-

i. Objective of the assignment.

ii. Scope of services.

iii. Methodology, Work Plan, etc.

iv. Expected outputs/Deliverables with timelines.

v. Duration of the contract with cost estimates.

During preparation of TORs, due deliberations are required to be exercised by involving all relevant wings including Procurement wing to avoid likely contractual issues during execution of a project activity. In case of surveys, reviews and evaluations related activities, involvement of M&E Wing should invariably be ensured at the design as well as report verification stages of the related assignments. Generally, it has been observed in most of the cases that due to non-clarity in original design/TORs, payment related issues are cropped up at later stage resulting into delay in completion of the assigned task by the service providers. Hence, to avoid such issues during execution of a contract, well-conceived scope of work covering key elements as outlined above, should be devised and made an integral part of the contract to be signed between the parties. Following shall be the key functions of Implementing Wing:-
a. Preparation of TORs, complete in all respects, in consultation with the concerned stakeholders including M&E wing. Involvement of M&E wing shall be invariably ensured while preparation of TORs for surveys, third party evaluations/assessments and other assignments where deemed essential.

b. Monitor/supervise activities of a service provider to ensure compliance with TORs and prescribed terms and conditions of the contract.

c. Foresee potential risk factors during execution of a contract and suggest corrective measures/course corrections to the management well in time.

d. Devise a monitoring and evaluation mechanism in consultation with M&E wing for smooth and timely execution of a contract.

**Mechanism for verification of deliverable/report**

Following shall be the key elements/parameters for verification of the deliverable/report submitted by the service provider. Consultation with M&E wing will be of great value while verifying the deliverable on the laid down parameters.

i. Conformity to the stated objective of the assignment.

ii. Compliance with the agreed design methodology as per TORs and inception report.

iii. Fulfillment of quantitative & qualitative outputs, as stipulated in TORs.

iv. Comments of the concerned officer on the key findings in the report.

v. Variations, if any, from the agreed methodology, design and outputs should be clearly indicated along with justification and impact on the agreed scope of assignment.

vi. Recommendation regarding acceptance of the deliverable/report by the concerned officer/wing.

**Timelines for verification of deliverables**

The Implementation Wing will receive deliverable without invoice from the service provider within prescribed time as per the Contract signed between the parties. The rationale for submission of deliverable without invoice is that sometimes, it takes considerable time in verification due to shortcomings in outputs submitted by the firm and in case it is accompanied with invoice, it starts count down in terms of payment timelines as prescribed in the contract. As
a matter of policy, invoice shall be submitted by the service provider once deliverable is accepted and approved by the client and conveyed accordingly in writing by the wing concerned.

In case of survey, third party evaluation and any other assignments where input of M&E Wing is essential, the Implementing Wing with the collaboration of M&E Wing shall be responsible for verification of deliverable within 15 working days. In case of any observation on the report/deliverable, it will be referred to the service provider. Observation shall clearly identify the shortcomings indicating the corrective measures by the service provider, within a reasonable time which shall not exceed fifteen (15) working days.

i. A maximum of three attempts will be made for the same deliverable for corrective measure by the service provider. In case no response is received and corrective measures are not undertaken by the 2\textsuperscript{nd} party within prescribed timeframe and default continues for nonperformance consistently and consecutively up to a maximum of 60 days, the matter will be immediately reported to the Senior Management for necessary action as per provisions of the contract to take punitive action.

ii. The Implementing Wing shall not take more than fifteen (15) working days under normal situation when the deliverable is found in order. However while making correspondence with the service provider all concerned wings will be kept in loop by the implementation wing.

iii. The Implementing Wing shall be responsible to collect feedback from M&E and finalize verification process as per prescribed parameters within 15 working days.

**Procedure for Invoice Processing**

After approval of the deliverable by the Competent Authority, the Implementing Wing shall obtain invoice from the service provider by communicating approval of deliverable.

i. On receipt of invoice and after verification, Implementing Wing within 03 working days will send the invoice to F&A Wing for processing of payment.
ii. The F&A Wing will complete pre audit within 04 working days and put up the case for seeking approval of the Secretary. However, in case of any query/additional information, F&A Wing will refer the case back to Implementing Wing (within 03 working days) for corrective action. Implementing Wing after doing the needful will send the case back to F&A Wing within 02 working days. Thereafter, F&A Wing will process the case for payment immediately and after seeking approval of secretary will issue the cheque to the party under intimation to Implementing and Procurement Wing.

iii. Implementing Wing will prepare and submit monthly update on contract management to Procurement Wing focusing on adherence of timelines in completion of the agreed deliverables by the consultant and contractual issues if any with suggested course of actions.

Role of Monitoring & Evaluation (M&E) Wing

The role of M&E Wing in BISP’s context starts from planning. The monitoring part of M&E is expected to keep oversight on all activities and to have a comparative analysis of operational activities against the SOPs devised for various initiatives. The evaluation part focuses on process evaluations, outreach efficiency, feedbacks, operational reviews and impacts at all levels. One of the most significant role of M&E Wing is to analyze the third party assessments and suggest course correction to top management to further strengthen the design and operation of the program. This part translates into the contribution of M&E in planning. Anticipating the possible future challenges and optimal solutions is also one of the prime functions to be performed by them. M&E is applying the tools of Logical Framework Approach (LFA), research papers, designing small surveys and providing technical assistance to the organization and to the third parties working on various assessments of the program to effectively achieve the objective of third party evaluations. Given the peculiar role of the Wing, following shall be the key responsibilities of M&E in the context of procurement and contract management.

i. M&E will assist implementation wing in preparation of TORs for any kind of survey, third party evaluations and any other assignment where input of M&E wing is considered essential.
ii. M&E Wing will suggest /provide guidelines on design, methodology and sampling approach of an intended assignment to be incorporated in TORs.

iii. M&E Wing will provide input on the deliverable/report submitted by the service provider as and when referred by concerned wing.

iv. M&E Wing will compile key recommendations of third party reviews/assessments and suggest course corrections to senior management in the areas where required under various initiatives.

v. M&E Wing will assist the implementing wing in verification of a report/deliverable provided by the service provider to ascertain conformity to the agreed design, methodology and sampling approach including qualitative and quantitative outputs.

Procurement Wing:

Procurement Wing shall be responsible to ensure transparency, economy and efficiency in procurement process in compliance with the relevant rules and guidelines. Procurement Wing will also assist Implementing Wing to ensure efficient contract management, observing the set timelines by the concerned Implementing Wing. Procurement Wing will perform following specific functions with regard to contract management;

i. The Procurement Wing in consultation with the concerned Wings will prepare procurement plan of all activities funded under both GOP as well as Donors Agencies highlighting, budget estimates, mode of selection and timelines and shall ensure transparent handling of all steps involved in procurement cycle in an efficient and effective manner.

ii. The Procurement Wing will assist Implementing Wing to keep an oversight on contract management by tracking implementation progress as per agreed terms and conditions of the contract. The vigilance on contract management will be exercised through active persuasion by implementing wings.

iii. Procurement Wing will assist Implementation Wing in preparation of "Contract Management Update" of every contract on monthly basis with requisite information alongwith reasons for delays if any, contractual issues & their remedies etc. The update on Contract Management will be shared with Senior Management for review and other concerned donor agencies, on monthly basis.
iv. The Procurement Wing will assist Implementing Wings to prepare formal Contract Closure Report on conclusion of a particular contract, clearly identifying the issues during execution including variation in scope and cost, suggesting remedial measures for future activities.

Finance Wing:

Pre-audit checks

On receipt of complete documents i.e. verified deliverable along with invoice from concerned Implementing Wing, Finance Wing will apply following pre-audit checks before conveying its concurrence for payment:-

i. Invoice number and date,
ii. Contract reference,
iii. Arithmetical calculations,
iv. Verification by the authorized officer,
v. NTN/GST number,
vi. Compliance with payment conditions as per the contract,
vii. Any adjustment in the invoiced amount,
viii. Calculation and deduction of applicable taxes etc.
ix. Earmarking of required funds as per project cost out of relevant source of fund prescribed in the contract.
x. Booking of the expenditure in the relevant head of account and its reconciliation etc.
xii. On closure of a particular contract, Finance Wing will issue a certificate/statement showing total payment made and detail of taxes deducted thereof.

Timelines for invoice processing

In case of any deficiency, the concerned officer/official will report to Director/DG Finance within 03 working days on receipt of the invoice from Implementing Wing who will pass on the observation to the concerned wing after being satisfied itself regarding genuineness of observation, otherwise it will be processed by the officer in charge at his own. The Finance Wing will ensure completion of pre-audit within 04 working days and submit the case for approval of the Competent Authority.
Upon receipt of approval of invoice/payment by the Secretary, Finance Wing will issue cheque within 03 working days to the service provider under intimation to the Implementing & Procurement Wings. In case of delay, the concerned official responsible for processing payment will be accountable for such delay before Director General Finance and the PAO.

Role of Internal Audit

The primary function of internal audit is to establish internal checks and controls by assessing weaknesses and gaps in procedures and systems. Besides, external auditors, internal audits and control can provide effective oversight that may detect potential risks for significant deviations in Govt. spending even at a later stage. Performance audit could also be used as an effective tool to assess degree of compliance of relevant rules, regulations and suggest course corrections to mitigate risk factors. While framing internal controls of the organization, internal audit should undertake capacity assessment of concerned staff and recommend to the management for needed capacity building to safeguard against recurrence of likely fiduciary risks.

Notwithstanding with the above besides legal expert, internal audit may also be consulted at the time of signing of a contract, to have a critical review so that all possible safeguards could be ensured against any likely risk factor during execution. Likewise, necessary input of internal audit is also equally important/essential at the time of closure of a contract while making final payment to the service provider.

Force Majeure

‘Force Majeure Event’ shall mean the occurrence of any of the following events or circumstances, or any combination thereof, which are (i) beyond the reasonable control of the affected Party, (ii) could not have been foreseen or prevented by the use of or by the exercise of reasonable skill and care, and (iii) have a material adverse effect upon the performance by the affected Party of its obligations under the Agreement including but not limited to:

i) strikes, lock-outs or other industrial action or labor disputes involving the affected Party or its permitted sub-contractors, employees or agents;

ii) invasion, act of war (whether declared or undeclared), armed conflict or act of foreign enemy, blockade, civil war, rebellion, riots, insurrection or civil commotion;
iii) sabotage, kidnapping, terrorism or credible threat of such acts;

iv) epidemics;

v) explosions, chemical or radioactive contamination or ionizing radiation or other radioactive contamination risks in the common form that are not covered by the Insurer's approved insurance policies;

vi) unusual or extreme adverse weather or environmental conditions or action of the elements, meteorites, aircraft or object falling from aircraft or other aerial devices, the account of pressure waves caused by aircraft or other aerial devices traveling at supersonic speed or other natural disasters;

vii) act of God;

viii) any event or circumstances of a nature analogous to the foregoing, provided that each of the events described shall constitute a Force Majeure Event to the extent that such events or circumstances are caused by an event or circumstance that is itself a Force Majeure Event, experienced directly by the Party concerned.

Force Majeure Events shall not include the following:

i) delay in the performance of the Agreement by the Service Provider;

ii) breakdown in machinery or equipment.

If, by reason of a Force Majeure Event, a Party is wholly or partially unable to carry out its obligations under the Agreement, the affected Party shall:

i) give the other Party notice of the Force Majeure Event as soon as practicable, but in no event later than forty-eight (48) hours after the affected Party becomes aware of the occurrence of the Force Majeure Event, or six (6) hours after the resumption of any means of providing notice to the other Party;

ii) provide, wherever appropriate or when reasonably requested to do so by the other Party, further information to the other Party fully describing the Force Majeure
Event and its cause(s), and providing or updating information relating to the efforts of the affected Party to avoid and/or to mitigate the effect(s) thereof, and estimates, to the extent practicable, of the time for which the affected Party reasonably expects it shall be unable to carry out any of its affected obligations due to the Force Majeure Event.

The affected Party shall notify to the other Party of the cessation of the Force Majeure Event and of its ability to recommence performance of its obligations under the Agreement as soon as possible and in any event not later than seven (7) days after the cessation of the events described above.

BISP shall examine the pros and cons of the case and all reasonable alternative measures for completion of the Agreement and shall submit its recommendations to the Competent Authority for final decision. However unless otherwise directed by BISP in writing, the Service Provider shall continue to perform its obligations under this Agreement as far as is reasonably practical and shall seek reasonable alternative means for performance not prevented by the Force Majeure event.

The Service Provider may not be liable for any liquidated damages or termination/blacklisting for default, if and to the extent of delay in performance or other failure to perform its obligations under the Agreement as a result of Force Majeure event.

**Contract Management & Payment Cycle**

A brief description of Contract Management & Payment Cycle is shown on the next page:-
**Contract Management and Payment Cycle**

**Step-1 Implementation Wing**
Receipt of deliverable and processing for verification.
(Immediate)

**Step-2 Implementation and M&E Wing**
Verification of deliverable and processing for approval.
(maxi. 15 working days)

**Step-3 Principal Accounting Officer**
Approval of deliverable.

**Step-4 Implementation Wing**
Convey approval of deliverable to Service Provider and request for submission of invoice.
(Immediate)

**Step-5 Implementation Wing**
Initial scrutiny & verification of invoice and processing for payment.
(maxi. 03 working days)

**Step-6 F&A Wing**
Scrutiny of payment and pre-audit of invoice by concerned officer and obtain sanction of expenditure.
(maxi. 04 working days)

**Step-7 F&A Wing**
Issuance of cheque and return of file to Implementation Wing
(maxi. 03 working days)
CHAPTER - 7
HANDLING OF COMPLAINTS

Purpose of Procedure:

Complaints from bidders are inevitable. The main purpose of a clearly defined public procurement process with standardized procedures for every event from procurement advertising, receipt and opening of bids to evaluation and contract award is to minimize the chances of complaints. Unfortunately, there shall always be bidders who raise frivolous or unfounded complaints. Situation demands that all complaints should be examined.

The best way to avoid complaints from bidders is to follow the laid down procurement procedures in letter and spirit.

At the same time, it is also therefore necessary to provide a clearly defined process for dealing with complaints received from bidders, so that necessary steps can be initiated as soon as a complaint is raised. ADG/Director (Procurement) within 03 working days on receipt of complaint will report to the competent authority and/or concerned wing/section against which the complaint is lodged.

Complaint Redressal Mechanism

Lodging of Complaints

To achieve the objective of public access and transparency, the aggrieved bidders may lodge a written complaint with BISP not later than 15 days after announcement of Bid Evaluation results.

The composition of Complaint Redressal Committee is as under:

1. DG (NSER)/DG (HR) ..... Chairman
2. Addl: DG (CCT/HR) ..... Member
3. Addl: DG (IC) ..... Member
4. Addl: DG (IT) ..... Member
5. Addl: DG (M&E) ..... Member
6. Addl: DG (Payments) ..... Member
7. Legal Advisor ..... Member

The TORs of the Grievance Redressal Committee (GRC) shall be the following:-

(i) The GRC shall perform its function as per the provisions of PPRA Ordinance and Rules framed thereunder;

(ii) Any individual from the Procurement Wing shall not be the part of the GRC;
(iii) Any other Notification (s)/Office Order (s) issued regarding constitution of the GRC previously by BISP shall stand cancelled;

(iv) The GRC shall be headed by DG (NSER) & DG (HR), alternately. The Committee shall be comprising of odd numbers of members including the Chairman;

(v) The GRC shall have full powers and authorization. It shall be so independent enough to strike down a decision of procuring agency, including the decision to award a procurement contract to a particular bidder without any fear of reprisals by the senior management of the procuring agency whose decision is subjected to challenge before GRC on the complaint in writing launched by the aggrieved party;

(vi) The Legal Advisor, BISP shall be the co-opted member of this GRC, and

(vii) Any individual from the procurement Section/User Wing of BISP, whose procurement has been intended to be made by the Management, shall not be the part of this GRC.

Any bidder feeling aggrieved by any act of the procuring agency after the submission of its bid may lodge a written complaint concerning his grievances not later than fifteen days after the announcement of the bid evaluation report and the committee shall investigate and decide upon the complaint within fifteen days of the receipt of the complaint and mere fact of lodging of a complaint shall not warrant suspension of the procurement process.

(i) Transparency and Confidentiality
The Complaint Redressal committee shall take every precaution to maintain transparency and confidentiality in its proceedings. Thus, proceedings of the Committee shall be noted by one of the members and all record pertaining to the complaint shall be kept in safe custody.

(ii) Notification of complaints and Findings
The complainant will be notified of receipt of his/her complaint within 05 working days and will be involved in all proceedings to address the relevant complaint. The findings of the enquiry/grievance redressal shall be notified to the complainant immediately within 05 working days upon completion of committee’s proceedings.

(iii) After completing the proceeding by Grievance Redressal Committee (GRC), the BISP Board shall be apprised about the decision of GRC through Secretary BISP
CHAPTER -8
BLACKLISTING PROCEDURE

Blacklisting means; temporarily or permanently, barring an entity or a person against whom proceedings have been initiated including but not limited to bidder, contractor, supplier, agent, consultant, company, partnership or firm; hereinafter referred to as, Respondent from participating in any future procurement of goods, works and services. The Respondent (s) individually or collectively as a consortium may stand blacklisted if found to have been involved in any or all of the following acts:

i. Undermines or adversely affects the operations of the BISP through any of the following:
   a. Withdrawing a bid during the bid validity period;
   b. Failure or refusal to:
      o sign the contract;
      o accept Purchase Order/Work Order;
      o execute work;
      o submit Bank Guarantee as per terms of bidding document;
      o fulfill contractual obligations as per contract;
      o meet purchase order/work order terms and conditions; and/or
      o remedy to underperformance as per contractual obligations.
   c. And/or any other non-compliance of obligations vital for the execution/compliance of the contract.

ii. Indulges in corrupt or fraudulent practices while obtaining or attempting to obtain contracts in the BISP.

iii. Convicted of fraud, corruption, tax evasion or criminal misappropriation by a court of competent forum.

iv. Notified blacklisted/debarred/cross debarred by any public sector organization or international agency. In this regards the contractor has to submit a certificate that he or his principal is not declared blacklisted/debarred/cross debarred by any public sector organization or international agency.
v. Furnished information that was false and materially inaccurate or submitted forged or fake documents.

Debarment of Natural Terms

a) The following shall stand disqualified and debarred from participating in BISP tenders or contracts pursuant to blacklisting proceedings:

i. In case of a company; all directors including its Chairman, Chief Executive and Chief Financial Officer.

ii. In case of partnership; all partners

Debarment of Associated Companies or Entities

Where a company or an entity has been blacklisted, all its associated or subsidiary undertaking whether by way of common directorship, common management and control, shareholding or direct or indirect control through directors of blacklisted entity etc shall also stand disqualified from participating in BISP tenders or contracts.

Blacklisting Committee

a) The Secretary, BISP shall constitute a Blacklisting Committee with three members. The Chairman of the Committee shall be an officer of the rank of Director General and one member of the rank of Director. The ADG/Director (Procurement) shall act as the Member/Secretary of the Committee.

b) The Committee deliberations as a guiding principle shall be based upon adequate evidence. Consideration shall be given as to how much credible information is available, and its reasonableness in view of surrounding circumstances, and inferences which shall be drawn from the existence or absence of affirmed facts. The assessment shall include all documents available and presented.

Proceedings for Blacklisting

a) ADG/Director (Procurement) on his own accord or on receipt of information or a complaint shall refer the matter to the Blacklisting Committee within 03 working days after its constitution and approval from Secretary, BISP.
b) Committee may, on information received from any resource, issue Show Cause Notice to a bidder or Contractor Containing the following who shall submit Written Reply within the period of 07-Days:-
   i. Precise allegation, against the bidder or contractor
   ii. The maximum period for which the Committee proposes to debar the bidder or contractor from participating in any public procurement of the BISP or otherwise; and
   iii. The statement, if needed, about the intention of the Committee to make a request to the concerned authority for debarring the bidder or contractor from participating in public procurements of all the procuring agencies.

c) An effort shall be made for electronic communication of all notices and other documents pursuant to this mechanisms or process.

d) In case, the bidder or contractor fails to submit written reply within the requisite time, the Committee may issue notice for ‘Personal Hearing’ to bidder or contractor/authorize representative of the bidder or contractor and the Committee shall decide the matter on the basis of available record and personal hearing if available.

e) In case the bidder or contractor submits written reply of the Show Cause Notice, the Committee may decide to file the matter or direct issuance of a notice to the bidder or contractor for personal hearing.

f) The Committee shall give minimum of seven (7) days to the bidder or contractor for appearance before the Committee for personal hearing.

g) The Committee shall decide the matter on the basis of the available record and personal hearing of the bidder or contractor, if availed.

h) The committee shall decide the matter within Thirty (30) days from the date of personal hearing unless the personal hearing is adjourned to a next date and in such an eventuality, the period of personal hearing shall be reckoned from the last date of personal hearing.
Findings/Decisions of the Committee

a) The Committee after proceedings shall record its findings in writing and decide one of the following measures for implementation:

   i. Temporarily debarred, specifying the time period;

   ii. Blacklisted if the Respondent fails to take remedial action within the specified time; or

   iii. Permanent Blacklisted

b) The committee shall communicate to the bidder or contractor the order of debarring the bidder or contractor from participating in any public procurement with a statement

c) The Committee shall, as soon as possible, communicate the order of blacklisting to the PPRA with the request to upload the information on its website.

d) If the Committee wants the PPRA to debar the bidder or contractor from participating in any public procurement of all procuring agencies or just in BISP or within or outside Pakistan on temporary or permanent bases, the Committee shall specify reasons for such dispensation

e) After completing the proceeding for Blacklisting, the BISP Board shall be apprised about the decision of the Committee through Secretary BISP

f) The Committee shall upload all the decisions, available with it, on its website. But the name of the bidder or contractor shall immediately be removed from the list of blacklisted persons on expiry of period of blacklisting or on the order of the competent authority to that effect, whichever is earlier.

g) The documents, deliberations produced in writing and all records of proceedings shall be maintained for five years by the Implementing/Procurement Wing.

Appeal

a) Any bidder not satisfied with the decision of the Blacklisting Committee may lodge an appeal in the relevant court of jurisdiction within 30 days from the decision by Blacklisting Committee.
CHAPTER -9

MAINTENANCE OF RECORD AND FREEDOM OF INFORMATION

Record of Procurement proceeding:

   i. The procuring agency (BISP) shall maintain a record of its respective procurement proceedings along with all associated documentation for a minimum period of 5 years.
   ii. Such maintenance of record shall be subject to storage and preservation policy framed in this regard from time to time.

Public Access and Transparency:

As soon as a contract has been awarded the procuring agency shall make all documents related to the evaluation of the bid and award of contract public.

Provided that where the disclosure of any information related to the award of a contract is of proprietary nature or where the procuring agency is convinced that such disclosure shall be against the public interest, it can withhold only such information from public disclosure subject to the prior approval of the Authority.