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# Lecture34

Public Procurement Rules (A)



# 1.         Short title and commencement.-

(1)        These rules may be called the Public Procurement Rules, 2004.

(2)        They shall come into force at once.

# 2.         Definitions.-

(1)        In these rules, unless there is anything repugnant in the subject or context,-

(2)           The expressions used but not defined in these rules shall have the same meanings as are assigned to them in the Ordinance.

# Bid

(a) “bid” means a tender, or an offer, in response to an invitation, by a person, consultant, firm, company or an organization expressing his or its willingness to undertake a specified task at a price;

# Bidder

(b)        “bidder” means a person who submits a bid;

# Competitive bidding

(c)         “competitive bidding” means a procedure leading to the award of a contract whereby all the interested persons, firms, companies or organizations may bid for the contract and includes both national competitive bidding and international competitive bidding;

# Contractor

(d)        “contractor” means a person, consultant, firm, company or an organization who undertakes to supply goods, services or works;

# Contract

(e)         “contract” means an agreement enforceable by law;

# Corrupt and fraudulent practices

(f)          “corrupt and fraudulent practices” includes the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty;

# Emergency

(g)          “emergency” means natural calamities, disasters, accidents, war and operational emergency which may give rise to abnormal situation requiring prompt and immediate action to limit or avoid damage to person, property or the environment;

# Lowest evaluated bid

(h)          “lowest evaluated bid” means,-

(i)           a bid most closely conforming to evaluation criteria and other conditions specified in the bidding document; and

(ii)          having lowest evaluated cost;

(i)          “Ordinance” means the Public Procurement Regulatory Authority Ordinance, 2002 (XXII of 2002);

# Repeat orders

(j)           “repeat orders” means procurement of the same commodity from the same source without competition and includes enhancement of contracts;

# Supplier

(k)          “supplier” means a person, consultant, firm, company or an organization who undertakes to supply goods, services or works; and

# Value for money

(l)          “value for money” means best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the procuring agency’s requirements.

# 3.         Scope and applicability.-

Save as otherwise provided, these rules shall apply to all procurements made by all procuring agencies of the Federal Government whether within or outside Pakistan.

# 4.         Principles of procurements.-

Procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

# 5.         International and inter-governmental commitments of the Federal Government.-

Whenever these rules are in conflict with an obligation or commitment of the Federal Government arising out of an international treaty or an agreement with a State or States, or any international financial institution the provisions of such international treaty or agreement shall prevail to the extent of such conflict.

# 6.         Language.-

(1)        All communications and documentation related to procurements of the Federal Government shall either be in Urdu or English or both. Except where a procuring agency is situated outside the territories of Pakistan and procurements are to be made locally, the procuring agency may use the local language in addition to Urdu or English.

(2)        Where the use of local language is found essential, the original documentation shall be in Urdu or English, which shall be retained on record; for all other purposes their translations in local language shall be used:

            Provided that such use of local language ensures maximum economy and efficiency in the procurement.

(3)        In case of the dispute reference shall be made to the original documentation retained on record.

# 7.         Integrity pact.-

Procurements exceeding the prescribed limit shall be subject to an integrity pact, as specified by regulation with approval of the Federal Government, between the procuring agency and the suppliers or contractors.