


2017

Fiduciary System Assessment for PforR Operation: SMART Punjab (P162446)

PUNJAB SMART

- **Field** 
- **Research** 
- **Water Management** 
- **Extension wing** 
- **Livestock**  

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FIDUCIARY SYSTEM ASSESSMENT

SUMMARY

A Fiduciary Systems Assessment (FSA) of the SMART Punjab Program was undertaken in accordance with Operational Policy/Bank Procedure (OP/BP) 9.00, *Program-for-Results Financing*. The assessment reviews the fiduciary arrangements relevant to the SMART Punjab Program in the Program Coordination and Monitoring Unit (PCMU) established in the Planning & Development (P&D) Department of the Government of Punjab (GoPunjab) and in the seven implementing agencies of the GoPunjab (Agriculture Department; Livestock and Dairy Development Department; Irrigation Department; Food Department; Industries, Commerce and Investment Department; Finance Department; and Planning & Development Department) to determine whether these implementing agencies provide reasonable assurance that Program financing proceeds will be used for the intended purposes. The FSA comprises (a) an assessment of the fiduciary risks relating to financial management (FM), procurement, and governance arrangements, including fraud and corruption (F&C) risks, and (b) a holistic assessment of the Program's expenditure management systems. It was undertaken jointly by FM and Procurement Specialists. Given the risks identified in this assessment, it is essential that the fiduciary-related activities listed in the Program Action Plan (PAP) be carried out.

The overall fiduciary risk is assessed as **substantial**.

FINANCIAL MANAGEMENT

The fiduciary risks identified in Table 2 are consistent with the PEFA assessment carried out in Punjab in 2012. The FM element of the assessment identified certain capacity gaps and control weaknesses in the implementing entities. Overall, the internal audit and control environment remain weak. Developing adequate FM professional capacity to manage financial matters for a program on the scale of the SMART Punjab Program will be challenging. The P&D Department has started to staff the PCMU, which is expected to be fully staffed by December 2017, including an internal audit function. To build implementing entities' capacities and strengthen internal controls, technical assistance is part of the SMART Punjab Program. The Program will support skills transfer and the sustainability of the capacity created throughout the duration of the Program. In addition, the Program will be subject to annual audit by the Auditor General of Pakistan as the country's supreme audit institution. Audited Program financial statements will be furnished to the Bank within 6 months after the end of each year.

PROCUREMENT

Of the seven Program implementing agencies (departments) identified for the SMART Punjab Program, four will undertake procurement-related activities. Two departments—the P&D and Finance Departments—will assume a coordination and monitoring role and financial role, respectively, and the Department's of Industries, Commerce and Investment role is limited to discontinuing the issuance of price control notifications. The procurement outlay of the four implementing departments (Agriculture, Livestock and Dairy Development, Food, and Irrigation) will cover consultancies, goods, works, and some non-consulting services. All participating departments will procure the Program-related expenditures in compliance with the Punjab-PPRA Rules 2014 and any updates.

Procurement rules are available in Punjab. However, the Bank's procurement assessment found insufficient information and data availability to gauge compliance with the rules and to measure procurement performance. The Punjab PPRA is of the view that the public sector organizations violate procurement rules in virtually all areas: procurement planning; formulation of specifications; delegation of powers to create approval mechanisms;

response time; prequalification of prospective bidders; blacklisting of suppliers and contractors; availability of bidding documents; bid security; formulation of evaluation criteria; announcement of evaluation results; selection of appropriate procurement procedures and use of alternative methods of procurement (understanding the difference between emergency procurement and procurement in urgency, constitution of grievance redress committee); and publication of evaluation/bid and award of contract. The areas identified by the PPRA were confirmed during the procurement reviews.

Under the SMART Punjab PforR operation, the responsibility for Program implementation—including the primary responsibility for preventing and combating F&C—rests with the implementing departments. Accordingly, it is expected that a comprehensive procurement monitoring system will be implemented under the Program to ensure that funds are utilized with due attention to considerations of economy and efficiency and without regard to political or other noneconomic influences or considerations. The World Bank’s assessment concludes that a robust monitoring mechanism would be helpful in ensuring better compliance with the existing rules and regulations and thus improved transparency, economy, integrity, fit-for-purpose procurement, efficiency, and fairness in procurement process. Therefore, the Program should support, in each Program-implementing department, the development and implementation of an online Procurement Management Information System (PMIS) that is accessible to the public.

The Bank team will work with all the Program-implementing departments to clarify and strengthen the procurement monitoring and oversight functions. It will also continue to support training and continuous professional development programs to strengthen the skills and capacities of staff in the public procurement arena, especially professionals who are directly involved with the Program.

Procurement risk areas are tabulated in Table 3, which also identifies some measures to mitigate these risks.

FRAUD AND CORRUPTION

The Bank has several large ongoing engagements in Punjab province for which the country’s systems are deemed satisfactory. An anticorruption assessment has also documented that adequate systems exist to counter corruption. Federal legislation in 2007 established a commission “to promote fair competition in all spheres of economic and commercial activity”; the law also prohibits “collusive tendering or bidding for sale, purchase or procurement of any goods or service.” The Bank’s team has reviewed the debarment list, and there are no debarred firms in the region that have experience in the technical areas of the Program’s proposed activities.

The Borrower will implement the Program in accordance with the provisions of the Bank’s Anti-Corruption Guidelines (ACG) applicable to PforR operations.

PROGRAM PARTICIPATING AGENCIES

Of the seven Program-implementing agencies (departments) for the Punjab SMART Program, four—Agriculture, Food, Irrigation, and Livestock & Dairy Development—will undertake procurement-related activities. The other three—Planning and Development, Finance, and Industries, Commerce and Investment —will, respectively, coordinate the SMART Program, ensure seamless financial flow to the Program, and discontinue price caps on meat and raw milk. The procurement outlay of the four departments will cover consultancies, goods, works, and some non-consulting services. All the participating departments will procure the Program-related expenditures in compliance with the Punjab-PPRA Rules 2014 and any updates. At the time of the procurement assessment, none of the participating entities had prepared a procurement plan or outlay for the SMART Program.

COUNTRY ISSUES RELATED TO PUBLIC FINANCIAL MANAGEMENT SYSTEM

The Finance Ministry/Department and Line Ministries/Departments at the federal and provincial levels have well-defined roles and responsibilities for budget formulation and execution. The Controller General of Accounts (CGA), a representative of the Federal Government, through its associated offices across the country, pre-audits transactions, makes payments, and thereafter prepares financial statements. The Auditor General of Pakistan (AGP), as the country's supreme audit institution, has the constitutional responsibility to conduct the audits of federal, provincial, and district government entities.

A PEFA assessment was carried out in Punjab in 2007 and again in 2012, along with a Public Financial Management and Accountability Assessment that used the PEFA¹ Performance Measurement Framework. The 2012 report noted that ongoing reforms had resulted in significant progress in improving the country's public financial management (PFM) system. The country's budget formulation and execution are based on administrative, economic, and subnational classifications using GFS/COFOG.² Transfers from the Federal Government to provincial governments are transparent and governed by the Constitution. Accounting and financial reporting have been automated at the federal, provincial, and district levels through the nationwide implementation of the National Financial Management Information System (National FMIS) using the SAP application with a uniform chart of accounts (CoA).³ Connectivity is in place for all line ministries/departments to monitor budget execution in real-time. The federal and provincial governments use the same fiscal reports and CoA. The National FMIS produces fiscal reports within 2 months after the end of the fiscal year, and these reports indicate that local and foreign debt is properly recorded, reconciled, and reported. Moreover, payroll is backed by personnel files containing all information pertaining to payroll master data. Changes to payroll information in the National FMIS are fully supported by the relevant documentation. GoPunjab has launched Medium-Term Budgetary Framework (MTBF) reforms introducing multiyear planning and budget preparation for at least three years on a rolling basis. The MTBF reforms will help the provincial government in prioritizing its expenditures. The accounting system of the provincial government provides complete and reliable information about resources received by the Agriculture, Livestock and Dairy Development, and Irrigation departments and their field offices. Financial statements of the federal and provincial governments are being prepared under the cash basis of accounting and are aligned with the IPSAS "Cash Basis" format. Annual audits are completed on time, and audit reports are submitted to the legislature within 8 months after the end of the fiscal year. Noteworthy progress on transparency has also been made, through making financial information available to the public.

The assessment identified certain areas for improvement to achieve better PFM outcomes. For improved budget credibility, the government needs to institutionalize the MTBF. For better expenditure control, the commitment accounting functionality available in the National FMIS needs to be used. The GoPunjab also needs to develop and implement an effective internal audit function with regular reporting on follow-up management actions, and

¹ Public Expenditure and Financial Accountability (PEFA). The PEFA Program was established in December 2001 as a multidonor partnership of the World Bank, European Commission, UK Department for International Development, Swiss State Secretariat for Economic Affairs, French Ministry of Foreign Affairs, Royal Norwegian Ministry of Foreign Affairs, and International Monetary Fund. The PEFA PFM Performance Measurement Framework was issued in June 2005 and updated in 2011.

² United National Classifications of Functions of Government.

³ International Monetary Fund, Government Financial Statistics Manual 1986.

continuing efforts are needed to improve the effectiveness of tax collection and the management of cash balances that affect the predictability of availability of funds.

BUDGETING AND PLANNING

The GoPunjab has a well-defined budgeting process, and reforms are under way to introduce modern practices in financial planning and budgeting. GoPunjab is implementing a Medium-Term Fiscal Framework (MTFF) and the MTBF; however, these reforms have not been institutionalized across the government or implementing agencies. Although the MTBF has been introduced, the current and development budgets remain separate streams. And although the government has committed to provide the fiscal space to implement the Program, it is not part of the government's MTFF. However, the P&D Department publishes the Medium-Term Development Framework every year.

The 2012 PEFA shows that the GoPunjab's budgetary credibility has improved as regards the extent of deviation on the aggregate level for revenue and expenditure out-turns. However, no progress has been observed on the introduction of measures to prepare and record consolidated expenditure payment arrears, which indicate unsettled expenditure obligations of the government.

Limited planning by the implementing agencies, with policy objectives not linked to budget estimates, is a major reason for greater variance on expenditure out-turns. For the SMART Program, Program PC-Is for individual schemes under high-value agriculture, climate-smart agriculture, and PAFDA laboratories reflected in the Annual Development Plan for FY17/18 were prepared and approved. Going forward, the concerned departments will prepare PC-Is wherever these forms are required against development budget allocation. Timely preparation of PC-Is is crucial for timely implementation and adequate monitoring and evaluation.

The program will use the GoPunjab's normal budget procedures. These procedures are well defined, and expenditures are tracked to the district level/field formation of the implementing agencies. The budgeting of the Program expenditures will constitute part of the government budgeting process. The funds for the Program will be appropriated from both the current and development sides of the provincial budget.

Funding for the Program will be provided through GoPunjab's annual budget, and the Program funds will flow through the treasury system. GoPunjab's expenditure framework for the overall governance roadmap estimates that a total program expenditure of PKR167 billion (US\$1,590 million) will be required over five years to implement the program, starting from FY17/18. The government's program document (Governance Roadmap) and expenditure framework provides clarity about the specific Program expenditures to be incurred by the implementing entities.

IBRD resources under the proposed operation will be part of GoPunjab's annual budget. The Bank's operation will provide support through budget line items that are accounted toward the SMART Program. The total budget for the Bank-financed Program over the next five years is approximately PKR31.500 billion (US\$300 million).

The Government of Punjab transacts its business through a single treasury account. The Finance Department provides reliable information on commitment ceilings to the spending units through periodic releases of funds; however, spending units cannot initiate procurement until funds are released. This sometimes means that budget amounts are not used, if the procurement process could not be completed before the close of the financial year.

FIDUCIARY CAPACITY

The implementing agencies have sufficient sanctioned positions for the budget and accounting staff to manage their existing workload. However, the current staff are not qualified in the field of accountancy, and require capacity building in FM and reporting. The PCMU housed in the P&D Department is hiring a qualified (CA/ICMA/ACCA) accountant with relevant experience as an internal auditor, as indicated in the PAP, who will ascertain the agencies' program implementation and report on the FM aspects. Moreover, the four key implementing agencies will each have their own Program Delivery Unit (PDU) that will need dedicated FM and procurement specialists so that financial reporting and procurement plans/processes are streamlined.

The recommended mitigating measures set out in Table 2 are designed to build experience and skills that will outlast the Program and spill over into improved FM in Punjab. The measures prioritize the key themes highlighted in the latest PEFA assessment and will strengthen capacity in these areas under the Program.

The use of PIFRA Integrated Financial Management Information System in producing program-level financial statements will also benefit FM in the province, and the lessons learned will bolster the use of the system going forward.

Of the four implementing agencies, only the Agriculture Department has dedicated procurement staff; the others (Livestock & Dairy Development, Irrigation, Food) do not.

ACCOUNTING AND REPORTING

The 2012 Punjab PEFA found that the GoPunjab has sound accounting, recording, and reporting procedures in place. GFMS (Government Financial Information Management System) connectivity has been provided to all line departments, allowing easy access to information on budgetary resources available and consumed. Each implementing agency will maintain its own books of accounts for Program-related activities on a cash basis, using the government's accounting policies and procedures, which also include a GFS-compliant CoA collectively called the New Accounting Model. The PCMU will be responsible for preparing Program-level consolidated financial reports, including quarterly budget execution reports and annual financial statements that will be shared with the Bank.

At present the implementing agencies maintain their accounts using the SAP system implemented under the PIFRA Project and, as part of the monthly budget execution report process, carry out monthly expenditure reconciliation with the Accountant General Punjab.

FINANCIAL REPORTING ARRANGEMENTS OF THE PROGRAM

Using the existing government accounting system, the PCMU will produce semiannual consolidated unaudited interim financial reports prepared on the basis of actual expenditures for the program and, within 45 days after the close of the period, will submit them to the Bank. Annual financial statements will also be prepared for the audit, using a format similar to that of the semiannual reports. The PCMU will be responsible for ensuring that the reports and financial statements of the Program are prepared on time and submitted to the Bank.

FUNDS FLOW AND DISBURSEMENT MECHANISM

The IBRD funds of the program will be channeled to the GoPunjab Non-Food Account-1 through the State Bank of Pakistan in accordance with the procedure notified by the GoPunjab DoF in August 2013. Program funds will be disbursed twice a year, only upon achievement and verification of disbursement-linked indicators (DLIs) by an independent verification agency. Once the indicators have been achieved, the PCMU will report to the World Bank

and provide necessary evidence as per the legal agreements, showing that results for DLI(s) have been met. For a scalable DLI, the amount to be disbursed will be determined in accordance with the formula set out in the verification arrangement, and a notification will be sent to the Borrower of that amount. Disbursement requests will be submitted to the Bank using the Bank's standard disbursement forms signed jointly by authorized signatories. Details of the key disbursement issues will be spelled out in the Disbursement and Financial Information letter. It is important to note that although PforR operations do not link disbursements to individual expenditure transactions, the aggregate disbursements under such operations should not exceed the total expenditures by the Borrower under the program over its implementation period. If by program completion the IBRD financing disbursed exceeds the total amount of the program expenditures, the Finance Department, GoPunjab, is required to refund the difference to the Bank.

INTERNAL CONTROLS AND INTERNAL AUDITS

The government has a comprehensive internal control framework comprising the Punjab General Financial Rules (PGFRs), Treasury Rules (TR), and Punjab Delegation of Financial Powers Rules (PDFPR) 2006, which will be observed for Program expenditure. Most of these regulations were enacted a few decades ago and have undergone several revisions. The system needs to include an internal audit function to strengthen PFM. However, the Livestock & Dairy Development Department conducts an annual internal audit of selected areas/programs basis, as required under PGFRs. It was also noted that although audit findings are reported and are considered by the Provincial Public Accounts Committee providing legislative oversight, documentary evidence of action taken on audit findings was not readily available.

The assessment of seven implementing agencies identified the following areas where internal controls need to be further improved:

- Establishing an effective internal audit function, which currently is either absent or limited to pre-audit.
- Improved reporting and reconciliation controls with periodic review by senior management; at present this is an activity of the implementing agencies' Budget Section.
- Strengthening asset management, including asset coding, periodic physical verification, documentation of custodian's responsibilities for asset safeguard, and exercising strong controls over assets receipt and issuance. Some of these controls exist, but the Program's implementation will involve substantial asset procurement and there is a need to strengthen the controls to safeguard assets.

INTERNAL AUDITING ARRANGEMENTS FOR THE PROGRAM

The program will use government FM systems and procedures. It is envisaged that the PCMU will hire a qualified internal auditor with relevant experience to be responsible for conducting internal audit of the Program in accordance with the terms of reference and under the approved semiannual internal audit plan for this Program.

PROGRAM EXTERNAL AUDIT

The 2012 Punjab PEFA Assessment rated the external audit function "B" because of the extended scope and coverage and good quality of the audit. For the provincial government, the audit reports up to FY14/15 have been submitted to the legislature. The Public Accounts Committee is supposed to review the audit reports but has not yet done so.

The AGP has recently completed the audit of the implementing agencies up to FY15/16, and there are no significant audit observations relating to Program implementation departments that are unresolved or that have been reported to the Public Accounts Committee.

For the Program audit, the PCMU will be responsible for coordinating with the implementing agencies for consolidating Program financial statements. The audit of Program financial statements will be carried out by the Department of Auditor General of Pakistan, which is acceptable to the Bank. The auditor will express an opinion on the Program annual financial statements and will also issue a management letter highlighting internal control, compliance, and other weaknesses. For each financial year, the AGP will audit the Program's financial statements, which will be submitted to the Bank within 6 months after the close of the financial year. The Bank, in accordance with its Access to Information Policy, will request public disclosure of the audit report.

CAPACITY BUILDING

The assessment identifies certain capacity and control weaknesses in the implementing agencies. To build implementing agencies' capacity and strengthen internal controls, technical assistance will need to be provided in the form of consultants hired under the SMART Program. Skills transfer during implementation and the continued sustainability of the capacity created once the Program is ended will be a key concern.

FRAUD AND CORRUPTION

The prevalence and public perception of corruption in Pakistan remain generally high. Transparency International's 2016 Corruption Perception Index ranked Pakistan 116th of 176 countries, indicating a high level of perception of corruption that may also affect the Program and procurement processes.

Pakistan has an established anticorruption framework comprising enabling legislation, including Anti-Money Laundering Act 2010, anticorruption investigating agencies, and a dedicated anticorruption court system. At the federal level, the Federal Investigation Agency has its roots in the Special Police Establishment created in 1942 to investigate corruption in the Supplies and Procurement Department of the Government of India. In 1999, the National Accountability Bureau was established to investigate major corruption cases; in 2007, the Competition Commission of Pakistan was established as a watchdog to fight anticompetitive practices, including collusion in procurement, in the private sector. All four provinces have Anti-Corruption Establishments. Additionally, there are single-mandate and general-mandate ombudsmen at both federal and provincial levels.

Punjab is Pakistan's largest province, accounting for roughly three-fifths of the country's population and income. The provincial government has initiated several projects to increase transparency, reduce corruption, and improve the efficiency and effectiveness of service delivery. These efforts have had some impact. According to the Transparency International 2011 report, citizens' perceptions of the GoPunjab have improved in recent years – the only province among the four in Pakistan that has seen an upturn.

In Punjab, several institutional arrangements are in place to receive complaints of corruption, conduct inquiries, and process cases. On the criminal side, the Prevention of Corruption Act defines corruption. Institutional structures are governed by the Punjab Anti-Corruption Establishment (ACE) Ordinance 1961 and Punjab Anti-Corruption Establishment Rules, 1985. In 2006, the Punjab Employees Efficiency, Discipline and Accountability Act replaced the old Efficiency and Discipline rules. The National Accountability Ordinance 1999, a federal law, also has jurisdiction over provincial departments. The Competition Act 2007 has jurisdiction over the entire country.

Any citizen can complain against any official to the ACE. Complaints are received simultaneously at headquarters, regional, and district levels. It is standard procedure to ascertain the identity of the complainant or informer and the genuineness of the complaint/information to eliminate the element of blackmailing of public servants and to entertain only genuine complaints. The Assistant Director (Complaint), after hearing the complainants, recommends the initiation of an inquiry, forwards the complaint to the department concerned, or files the complaint as baseless, devoid of evidence/beyond jurisdiction, etc.

The ACE processed close to 22,769 complaints in 2014. Some 8,697 formal inquiries were conducted and around 1,899 new criminal cases registered. A similar number from the backlog was disposed of. According to the ACE setup in every region, an anticorruption court has been established where special judges try cases. During 2014, there were 41 convictions and 624 acquittals among more than 1,000 cases decided by anticorruption courts.

On the administrative side, the Punjab Employees Efficiency, Discipline and Accountability Act, 2006, governs internal accountability arrangements. Officials can be proceeded against if charged with corruption or even with the reputation of being corrupt. Penalties range from fines to dismissal from service. Appeals against the administrative order are heard under the Punjab Service Tribunals Act, 1974, before the Punjab Services Tribunal. The Punjab Office of the Ombudsman Act provides a forum for the protection of people's rights against maladministration and corrupt practices by public servants.

Several other institutions also aim to check corruption and maladministration. The Chief Minister's Inspection Team conducts inquiries into major public spending on behalf of the Chief Minister. The Chief Minister, Complaint Cell, also receives complaints on corruption and other issues from the general public and addresses the grievances of the public. Complaint Cells are also established at the offices of Chief Secretary, Departmental Secretaries, Commissioners, etc., which address the public's complaints about corruption.

Proactive feedback is also being sought from service beneficiaries to check petty cases of corruption in Punjab. The Secretary Implementation & Coordination Punjab in the Services & General Administration Department is tasked with obtaining such feedback across the province.

The Punjab Transparency and Right to Information Act 2013 represents one of Punjab's most critical achievements in the fight against corruption in recent years. Under the provisions of the Act, any citizen may request information from a "public body," which is required to reply expeditiously or within 15 days. The Act also requires every public authority to computerize its records for wide dissemination, and to proactively publish certain categories of information for easy access by citizens. The establishment of an independent Information Commission will also help fight corruption. The commission will deliver decisions instructing the government, courts, universities, police, and departments on how to share information of public interest.

Free media can identify and expose corruption or other improper practices in the government, and can also validate government measures that are neither corrupt nor improper. Civil society and increasingly assertive media and judiciary are also increasing their oversight at all levels and aggressively pursuing major cases of corruption.

The interventions proposed under the Program—fostering transparency, implementing smart management, implementing e-services, and improving financial management—all aim to improve management and citizen oversight, reduce discretion, and fight corruption.

The anticorruption framework has all the essential ingredients to address corruption issues in the province; however, the capacity of the officers needs to be enhanced, and the ACE Punjab suffers from budgetary constraints. An electronic complaint management system with built-in monitoring and evaluation will help increase

capacity and improve performance management. The Punjab Employees Efficiency, Discipline and Accountability Act, a comprehensive legislative framework for internal discipline, can be strengthened by the development of an MIS to enable monitoring the actions of different departments.

The implementing agencies of the Punjab Public Management Reform Program—the Punjab Information Technology Board, Excise and Taxation Department, Punjab Procurement Regulatory Authority, and Punjab Resource Management Program—are all governed by the civil and criminal administrative arrangements described above. The ACE acts on all complaints it receives, including any complaints against the four implementing agencies.

The Borrower will implement the Program in accordance with the provisions of the Bank’s Anti-Corruption Guidelines (ACG) applicable to PforR operations. The modalities for implementing the ACG include the following:

- (a) All fraud and corruption complaints will be aggregated through three mechanisms. First, an MIS, to be maintained by executing/implementing agencies for administrative discipline and efficiency inquiries, including any procurement corruption charges related to the Program, is being proposed as a PAP activity. Second, the ACE already aggregates and categorizes all complaints. Third, the Secretary P&D/PCMU will process through the relevant administrative authorities any Program-related procurement corruption complaints that may be received.
- (b) The office of the Secretary of the Planning and Development Board will be the GoPunjab’s focal office for the purposes of ACG application. It will also aggregate Program-related procurement corruption complaints by monitoring the MIS of administrative inquiries and by maintaining liaison with ACE.
- (c) Under the Program, the GoPunjab will undertake criminal and administrative investigations of all material and credible allegations of fraud and corruption, keep the Bank abreast of their progress and findings, and make public the conclusions.
- (d) The GoPunjab will, annually or more frequently as warranted, provide the Bank with reports of allegations of fraud and corruption under the Program received and registered, as well as related investigations and, as needed, the actions taken. Reciprocally, if the Bank finds evidence of corrupt practices, it will, to the extent consistent with Bank policy, refer the case to the GoPunjab for investigation under the relevant criminal and civil laws.
- (e) If the Bank decides to conduct an administrative review into allegations or other indications of fraud and corruption in connection with the Program—whether alone or together or in parallel with the government investigation—the GoPunjab will cooperate fully with representatives of the Bank and take all appropriate measures to ensure the full cooperation of relevant persons and entities subject to the government’s jurisdiction in such an investigation, including allowing the Bank to meet with relevant persons and to inspect all of their relevant accounts, records, and other documents and have them audited by or on behalf of the Bank. If the Bank finds evidence of corrupt practices, the Bank will refer the case to the GoPunjab for investigation under the relevant criminal and civil laws. The Bank may, however, debar private individuals and firms on its own.
- (f) The Bank’s right to investigate or conduct reviews does not extend to criminal investigations, which are the exclusive jurisdiction of the Punjab Government.
- (g) The Punjab Government will ensure that any person or entity debarred or suspended by the Bank is not awarded a contract under, or otherwise allowed to participate in, the Program during the period of debarment or suspension.
- (h) The bidding documents will serve as bidders’ source of information regarding the applicability of the ACG to the Program. Compliance will be verified through the Program’s annual audits.

PROCUREMENT SYSTEM ASSESSMENT

EXISTING PROCUREMENT REGULATORY FRAMEWORK

The Punjab Procurement Rules 2014 cover all public procurements by all government departments and their autonomous bodies, and they will also apply to the Program. These rules adequately acknowledge the principles of fairness, transparency, value for money, equal opportunity, economy, and efficiency. They are comprehensive and stipulate open competition as the default method of procurement, pre-disclosed evaluation criteria, limitations on post-bid negotiations, disclosure of evaluation prior to award, and complaint redress. If these rules are violated for any procurement, that procurement is liable to be declared a misprocurement (Rule 69).

The Punjab PPRA Rule 5 allows the World Bank's Procurement Regulations to be used for procurements under the Program.

PROCUREMENT PROFILE OF THE PROGRAM

Several of the participating departments are preparing their capital investment schemes, which will be reflected in their respective PC-1s. The Agriculture and Livestock Departments have already developed their schemes, and approved PC-1s are available for each of the individual schemes under high-value agriculture, climate-smart agriculture, and PAFDA Lab as well as other components reflected in the Annual Development Plan for FY17/18. The government's expenditure framework is shown in Table 1.

Table 1. Expenditure framework for agriculture sector (US\$ m)

Subsector	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	BE ^a	MTDF ^b	MTDF	Estimated	Estimated	FY18–22
Agriculture allocation	105	131	118	121	129	604
Out of which high-value agriculture	6	9	10	12	14	51
Out of which climate-smart agriculture	6	9	10	11	13	49
Ag. Education	15	16	18	15	17	81
Ag. Extension	7	7	8	9	9	40
Ag. Information	1	0	0	0	0	1
Ag. Mechanization	2	2	2	2	2	10
Ag. Research	7	8	9	9	10	43
Economics and Marketing	3	3	3	3	4	16
Floriculture	0	1	1	1	1	4
Punjab Agriculture Research Board	2	2	2	2	2	10
Ag. Water Management	48	63	75	80	84	350
Other Programs	20	29	0	0	0	49
Livestock & Dairy Development	91	100	110	116	124	541
Government Farms	4	4	4	5	5	22
Livestock Census	1	1	1	1	2	6
Livestock Education	18	20	22	23	24	106
Livestock Research	3	3	3	3	3	15
Livestock Breed Improvement	5	5	6	6	7	29
Livestock Feed	1	1	1	1	1	5
Livestock Extension	6	13	14	15	16	65
Rural Poverty Alleviation	17	8	9	9	10	54
Veterinary Health	4	4	5	5	5	24
Livestock Productivity	28	31	35	38	39	170

Subsector	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	BE ^a	MTDF ^b	MTDF	Estimated	Estimated	FY18–22
Livestock Marketing	3	4	4	4	5	20
Livestock Value Chain	1	6	6	6	7	25
Estimated expenditure of human resources involved in Agriculture and Livestock & Dairy Dev. Departments	20	23	23	24	25	115
Irrigation M&R	60	63	66	69	72	330
Subtotal of Agriculture and Livestock	276	317	317	330	350	1,590
Irrigation	391	430	473	501	531	2,326
Rural Roads Program	163	163	0	0	0	326
Total projected investment	830	910	790	831	881	4,242

^a BE = Budget Estimates. ^b MTDF = Medium Term Development Framework, Planning & Development Department, GoPunjab.

Based on the available information, the expected capital expenditure is estimated at US\$1,145 million, around 72 percent of the total allocations (US\$1,590 million). These procurements (civil works, goods, consultancies, etc.) would be related to their respective departmental schemes falling under the SMART Program. Because of the nature of the reforms expected under the Program, the Food and Industries Departments will have hardly any procurement.

ASSESSMENT METHODOLOGY

To establish the capacity of the participating departments and understand the procurement procedures they are using, a comprehensive questionnaire was circulated. Some data templates were also shared with the departments to access and establish the historical procurement performance trends.

Filled-in questionnaires were received from the Agriculture, Food, Irrigation, Livestock & Dairy Development, and Industries Departments, which will be actively implementing the SMART Project (see Annexes 1-5). The Department of Finance and P&D will act as coordinating agencies and are not likely to take part in project implementation except by ensuring smooth funds flow and coordination among all the other participating departments. The Bank's procurement team met with the focal persons individually and recorded some information to complete the review process.

CURRENT PROCUREMENT PRACTICES IN PUNJAB

This section summarizes the information collected through the assessment process.

PROCUREMENT PLANNING, IMPLEMENTATION, AND MONITORING

Within one month after the commencement of a financial year, each procuring agency is required to prepare and publish its annual procurement plan, containing all proposed procurements (Rule 8). The objective is to realistically determine the requirements of the procuring agency, within its available resources, the delivery time or completion date, and the benefits that are likely to accrue to the procuring agency. These procurement plans are published on the PPRA website as well as on the procuring entity's own website. However, no updated procurement plans are available with which to assess the procurement performance or compliance with the anticipated timelines identified in the annual procurement plans.

The Department of Agriculture indicated that the use of Petty Purchase (shopping) is now being discouraged. The Agriculture Department is introducing Framework Contracts and encouraging procurements through Demand

Aggression in Annual Procurement Plans by promoting the use of such contracts. The PPRA Rules allow the use of Framework Contracts for procuring goods, services, or works (Rule 15).

Each procuring agency is also required to provide clear authorization and delegation of powers for different categories of procurement and may initiate procurements after receiving the approval of the competent authority. Such powers are notified for each procuring entity/department under the Punjab Delegation of Financial Powers Rules 2016 issued by the Finance Department.

TRANSPARENCY

Opportunities for public procurements are advertised through the websites and newspapers. Each procuring agency is required to advertise procurements of PKR 100,000 to PKR 2 million on the PPRA website in the manner and format specified by the regulations, and it may also advertise such procurements in at least one national daily newspaper. Procurements of more than PKR 2 million are to be advertised on the PPRA website, on any website of the procuring agency, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu (Rule 12). The procuring agency must ensure that the information posted on the website is complete, and the information must remain available on that website until the closing date for the submission of bids.

Rule 13 provides exceptions to mandatory advertisement: (a) if the proposed procurement pertains to national security and its publication may jeopardize or compromise the objectives of national security; or (b) if the publication of advertisement or notice of the proposed procurement involves disclosure of information that is proprietary in nature or falls within the definition of intellectual property that is available from a single source.

For all contracts over PKR 10 million, the contracting parties must sign an “Integrity Pact” (see Annex 6).

ELIGIBILITY AND QUALIFICATION OF BIDDERS

Any bidder can offer a bid. The eligibility of the bidders to be considered for the award is subject to the qualification requirements set out in the bidding document. If the procurement is considered complex and prequalification is required, the procuring agency is required to develop qualification criteria that include (i) qualifications; (ii) relevant experience; (iii) past performance; (iv) capacity with respect to personnel, equipment, and plant; (v) financial position; (vi) appropriate managerial capacity; and (vii) any other factor that may affect performance. All such factors must be mentioned in the prequalification document, and the prequalification assessment/evaluation must take into account only those criteria.

METHODS OF PROCUREMENT: GOODS AND WORKS

The default method is open competitive bidding (Rule 22). The procuring agency may choose a single-stage one-envelope, single-stage two-envelope, or two-stage bidding system. The departments mostly prefer a single-stage two-envelope system, under which the procuring entity opens only the financial bids of the bidders that meet the minimum technical requirements; for bidders that are not technically qualified, the price envelope is returned unopened to them. This process saves procuring entities from audit observations that may arise if a low-priced bidder is rejected because of lack of technical qualification.

In most cases, national competitive bidding is used. However, the PPRA Rules allow the use of international competitive bidding (ICB), shopping, and direct contract as well, subject to certain conditions. Pre-bid conferences are usually arranged for complex procurements only.

Repeat orders not exceeding 15 percent of the original procurement are allowed (Rule 59-iv). Unsolicited proposals are allowed, if certain requirements are carried out (Rule 60): to legitimize the unsolicited proposal by advertising it and seeking open competition, providing right of first refusal to the original proposer.

METHODS OF PROCUREMENT: CONSULTING SERVICES

The default selection process is competitive, and the preferred method is Least-Cost Selection. In addition, the Quality- and Cost-Based Selection, Quality-Based Selection, and Individual Consultant methods are used. Expressions of Interest are solicited, and on the basis of the responses a shortlist of qualified firms is developed. The request for proposal is issued to only the shortlisted firms.

Evaluations for the selection of consultants are carried out by evaluation committees, which are notified in accordance with the Punjab Financial Powers Rules 2016.

BIDDING DOCUMENTS

It is mandatory under Rule 25 of Punjab PPRA for all procuring agencies to use standard bidding documents (SBDs) when notified under the Regulations, but the Punjab PPRA has not yet notified such bidding documents. Accordingly, each procuring agency is using its own set of bidding document to meet its own requirements.

The Agriculture Department indicated that they are using the Pakistan Engineering Council's standard bidding documents.

DELEGATIONS OF POWERS

The Punjab Delegation of Financial Powers Rules 2016 provides the regulatory framework for the management of expenditure by the GoPunjab officials for each department. Under these powers, each controlling secretary constitutes the procurement committees to manage their procurements, according to the financial powers allocated to them. Such procurement committees are formally notified and made part of the record.

BIDDERS' PARTICIPATION

To a question about whether it is mandatory for foreign suppliers to have a local agent to qualify to bid for goods or services contracts, most of the participating departments answered "Yes." No data were available from the participating departments that could identify bidder participation status for various types of procurements.

NEGOTIATIONS

PPRA Rule 53 allows the procuring entity to negotiate with the highest-ranked firm regarding the methodology, work plan, staffing, contract price, and special conditions of contract. In case of negotiation failures, the procuring entity can invite the second-ranked firm for negotiations and contract award.

PPRA Rule 57 bars the procuring agency from negotiating with any of the bidders. However, for the procurement of goods of a highly technical nature (costing more than PKR50 million) under a two-stage two-envelope bidding procedure, bidders may be asked to submit revised financial bids.

EVALUATION OF BIDS/PROPOSALS AND CONTRACT AWARD DECISIONS

It is default practice to award the contract to the lowest evaluated responsive qualified bidder. The development of unambiguous evaluation criteria (Rule 31) is the responsibility of the procuring entity, and any deviation found during the evaluation process results in misprocurement (Rule 69). Evaluation of bids/proposals is the responsibility of the committee, which is notified in accordance with the Punjab Delegation of Financial Powers Rules 2016 issued by the Finance Department. In accordance with the PPRA Rules (Rule 37), it is mandatory to publish the award decisions on the websites at least 10 days before the award of the procurement contract. During this 10-day standstill period an aggrieved bidder may ask for clarification on a disputed award.

The procuring agency may reject all bids or proposals at any time before accepting a bid/proposal (Rule 35). Rule 49 allows the procuring entity to consider only one received bid for the contract award, provided the bid fulfills the requirements set out in the bidding document. Therefore, rejection of bid because only one bid was received is not allowed.

MAINTENANCE OF RECORDS AND FREEDOM OF INFORMATION

Each procuring agency is required to maintain procurement-related records for a minimum of five years. The PPRA Rules (Rule 66) allow the public access to these records as soon as the contract has been awarded. However, the procuring agency may deny access to such records if they are considered to be of a propriety nature or if the procuring agency is convinced that disclosure of the records would be against the public interest.

CONTRACT MANAGEMENT

A procurement contract comes into force as soon as the parties formally sign the contract, and the conditions of contract take effect from that date (Rule 63). As specified in the conditions of contract, performance of the contract shall be deemed closed, except for the defects liability, on the issuance of an overall delivery certificate or the taking-over certificate within 30 days of the final taking-over of goods or receiving the deliverables or completion of works, which enables the contractor/supplier to submit the final bill. Payments should be made against the running invoices on satisfactory performance within the time provided in the contract but must not exceed the 30-day limit as defined under Rule 62 of the PPRA.

DEBARMENT/BLACKLISTING OF VENDORS

Rule 21 allows the procuring entity to blacklist (a) a vendor that is found guilty of an act that is considered detrimental to the public interest or good practices, or (b) a contractor/consultant/supplier who has consistently failed to perform obligations under the contract, whose performance has not been up to mark, or who is found to have used corrupt or fraudulent practices. The procuring agency may, after affording such a party an opportunity of hearing and through a notification, debar it from participating in any public procurement process of the procuring agency for such period as the procuring agency may determine in the light of the circumstances of the case. The vendor has a right to appeal before the PPRA, and the PPRA is the final authority to resolve the decision.

REDRESSAL OF GRIEVANCES AND SETTLEMENT OF DISPUTES

Any bidder aggrieved by a procurement decision can lodge a written complaint concerning his grievances within 10 days after the announcement of a contract award decision. The procuring entity is required to constitute an Independent Grievance Redressal committee (notification available on PPRA's website), which is mandated to resolve the complaint within 15 days of the receipt of the complaint (Rule 67).

Once a contract is constituted, disputes between the parties are to be settled through mediation or arbitration (Rule 68). The responses of the participating departments indicate that they usually resolve the disputes amicably without resorting to arbitration.

COMPLIANCE WITH PROCUREMENT RULES

The Bank's procurement assessment found insufficient information and data to gauge compliance with the rules and measure procurement performance. The responses to the procurement questionnaire and discussions with various Program implementing agencies suggest that there is need to establish protocols for monitoring compliance with procurement regulations. In annual performance reviews the PPRA has indicated some areas where specific attention is required. The PPRA is of the view that while conducting procurements the public sector organizations, because of their capacity gaps and comprehension problem, violate PPRA Rules 2014⁴ in the following areas of procurement:

- Procurement planning (Rule 8)
- Formulation of specifications (Rule 10)
- Delegation of powers to the downstream officers to create procurement mechanisms (Rule 11)
- Response time (Rule 14)
- Prequalification of prospective bidders (Rule 16)
- Blacklisting of suppliers and contractors (Rule 21)
- Immediate availability of bidding documents (Rule 25)
- Bid security (Rule 27)
- Formulation of evaluation criteria (Rule 31)
- Announcement of evaluation reports (Rule 37)
- Selection of relevant procurement procedures (Rule 38)
- Understanding the difference between emergency procurement and procurement in urgency, constitution of a grievance redress committee (Rule 59)
- Publication of evaluation / bid and award of contract

In addition, the Bid Evaluation Reports/Award Decisions found on the websites are considered low in quality and deficient in providing sufficient information. The World Bank's own assessment also concludes that a robust mechanism would be helpful in ensuring better compliance with the rules and regulations, thus improving transparency, economy, integrity, fit for purpose, efficiency, and fairness in the public procurement process and contributing to achieving value for money.

⁴ Punjab PPRA Website.

PROCUREMENT PERFORMANCE

No Key Procurement Indicators (KPIs) for performance are available. The participating departments either had no record of procurement timelines or were reluctant to share such information with the Bank. In the absence of KPIs, it is difficult to provide any comment except to emphasize establishing reasonable KPIs so that future procurement performance can be measured adequately.

CONCLUSIONS AND RECOMMENDATIONS

The review concludes that the procurement rules are available and are based on the fundamental procurement principles. However, there is not enough evidence to confirm compliance with these rules. Compliance with the PPRA Rules 2014 varies, and the PPRA themselves confirm that compliance with the rules is deficient. Preliminary procurement assessments indicate that there are delays in the procurement process and thus in the subsequent contract implementation. In addition, the PPRA Annual Report (2014-15) indicates that increased procurement quantities and expenditure have created opportunities for abuse of power and waste of public funds.

Table 2 lists the important areas of concern in which improvements are required.

Table 2. Main procurement deficiencies

Area of concern	Remarks
Procurement planning	Procurement plans (PPs) are uploaded to the PPRA website; however, they are not updated, and no progress status is provided. The PPs should be updated on the websites, and progress on each procurement activity should be continuously updated by the procuring entity.
Formulation of specifications	The specifications should be broader and should not aim to give an advantage to any party.
Delegation of powers to create approval mechanism	The committees formulated to manage public procurements should be properly constituted and notified, including by publishing on the appropriate website.
Blacklisting of suppliers and contractors	A fair trial mechanism should be developed and posted on websites. The outcome of all F&C cases should be posted on the website.
Announcement of evaluation results	The Rules require that the bid/tender evaluation results be posted on the website. However, the limited information available on the websites is not meaningful. A template should be developed that should essentially contain all information on the bids that are not commercially sensitive to bidders: bid opening records, information on bid securities, bid price at the time of bid opening, arithmetic corrections, corrected bid prices, qualification status, compliance with the technical qualification criteria, bidders' rankings, any deviations observed during the bid evaluation process, clarifications sought, and so on.
Selection of appropriate procurement procedures and use of alternative methods of procurements (understanding the difference between emergency procurement and procurement in urgency)	It is important to develop a procurement strategy under which fundamental questions about the selection and use of the most appropriate methods of procurement and market approach can be decided. This requires providing ample training opportunities for professionals who are responsible for managing public procurements.
Publication of evaluation / bid and award of contract	A modified bid evaluation report suitable for website publication would be the minimum requirement to maintain transparency.
Procurement performance	Procurement performance indicators need to be developed.

Area of concern	Remarks
	Procurement performance needs to be measured by monitoring each activity within the procurement plans.
Procurement-related grievance redress committee	An impartial procurement grievance redress system and appropriate committees need to be developed and constituted for the settlement of procurement-process-related complaints.

FIDUCIARY RISKS AND MITIGATION MEASURES

For the reasons discussed in this report, the overall fiduciary risk for this operation is assessed as **Substantial**. Overall, the Fiduciary Assessment concludes that the FM and procurement systems for the Program are adequate to provide reasonable assurance that the financing proceeds will be used for the intended purposes, with due attention to principles of economy, efficiency, effectiveness, transparency, and accountability, and for safeguarding program assets once the proposed mitigation measures have been implemented.

SUMMARY OF RISKS AND MITIGATION MEASURES: FINANCIAL MANAGEMENT

Table 3 summarizes the key financial management risks and proposed mitigation measures.

Table 3. Financial management risks and proposed mitigation measures

Risk area	Proposed mitigation	Baseline	Significance of measure	Monitoring benchmark
Planning and budgeting	Implementation/budget plans for the Program with detailed costing and timelines developed by the implementing agencies. Annual budget allocations for the Program made in accordance with the implementation plan.	Annual plan prepared under the program	High	Implementation/budget plan approved by the respective PD/Secretaries/Chairman. Allocation for the Program activities in the annual budget through budget appropriation FY17-18 budget and onwards through annual development budget.
Funds flow	Funds committed for the Program activities in annual budget released to the implementing entities in time.	Nil	Moderate	Quarterly Budget Execution Reports
FM capacity	FM units of the implementing entities working at sanctioned strength. Additional staff requirement for PCMU and PDUs to be finalized and staff hired.	Vacancies in Program Delivery Unit filled	High	Staffing plan is included in the PAP.
Accounting and reporting	Program-level financial reports and entities to be included in the reports to	Nil	Moderate	Program-level financial reporting arrangements will be the responsibility of the

Risk area	Proposed mitigation	Baseline	Significance of measure	Monitoring benchmark
	be finalized.			envisaged PCMU and PDUs. Periodic Program-level financial reports will be prepared and reviewed by the PCMU team, and semiannual IFRs will be shared with the Bank.
Internal controls	Establishing an effective internal audit function.	Nil	High	Hiring of a qualified (CA/ICMA/ACCA) accountant with relevant experience as an internal auditor as part of the PCMU
	Internal audit to prioritize reviews aimed at (a) improving reporting and reconciliation controls, and (b) strengthening asset management.	Nil		The project management team will ensure that accounts are properly reconciled with IFR submissions and asset management records are maintained.
Program audit	Program external audits carried out in a timely manner.	Nil	Moderate	Program audited financial statements available within 6 months after the close of the financial year.

SUMMARY OF RISKS AND MITIGATION MEASURES: PROCUREMENT MANAGEMENT

All seven Program participating entities are expected to follow PPRA Rules 2014 framed under the Punjab Procurement Regulatory Authority Act, 2009. Based on the assessment focus areas, the Bank expects the Borrower to measure performance on critical processes that indicate the efficiency of procurement: timeliness, openness, cost-effectiveness, and compliance with applicable rules. The Borrower must develop quantitative or qualitative indicators for measuring such performance. Under the SMART Project, the Bank can support the participating departments in capacity-building efforts, which may involve developing databases to help the government better monitor procurement performance in such areas as the following:

- Timeliness of delivery of government services to end-users.
- Cost-effectiveness.
- Effectiveness and quality of procurement planning.
- Competitiveness of procurement processes.
- Extent of the implementing agency's compliance with applicable rules on the use of different procurement methods.
- Effectiveness of the complaint mechanism.

Procurement assessments indicate a number of risk areas, which are listed in Table 4 along with proposed mitigation measures.

Table 4. Main procurement risks and proposed mitigation measures

Risks	Proposed mitigation measure
Lack of transparency	<ul style="list-style-type: none"> • Publication of PPs with timeline of each activity • Publication of bid opening record immediately after the bid opening activity • Publication of bid evaluation result along with the bid evaluation report • Procurement complaint redress mechanism posted on the website with updates on any procurement-related complaints • Publication of Procurement Report capturing all the procurements carried out in each FY
Delay in procurement actions	<ul style="list-style-type: none"> • Updating each procurement activity, capturing the actual compliance/action date • Setting up procurement performance indicators • Measuring each procurement activity against the performance indicators
Delay in contract implementation	<ul style="list-style-type: none"> • Setting up a contract implementation plan and monitoring system • Monitoring each contract against the contract implementation plan.

It is recommended that a comprehensive Procurement Management Information System (PMIS) be developed that, at a minimum, captures the risks identified above and their mitigation measures. The PMIS should be implemented in all the Program implementing departments.

FRAUD AND CORRUPTION

Red Flags listed in Annex 7 identify the possible situations that may have F&C-related consequences and prompt complaints. Table 5 summarizes the proposed actions to avoid F&C.

Table 5. Proposed actions to avoid fraud and corruption

Area	Performance indicator	Baseline	Performance standards
Complaints redress	Secretary P&D to establish a complaint registration and follow-up system.	Nil	Relevant process to be established

SUGGESTED FIDUCIARY-RELATED ACTIONS

Table 6 lists the suggested actions to improve the implementing departments' FM capacity.

Table 6. Suggested fiduciary-related actions

Action description	Date	Responsible party	Completion measurement
Fiduciary			
PCMU and implementing agencies— Agriculture, Livestock & Dairy Development, Irrigation, Food, Finance, Planning & Development and Industries, Commerce and Investment Departments of the GoPunjab shall appoint and train key program fiduciary management and procurement staff as identified in the staffing plan.	Before effectiveness.	PCMU and implementing agencies	Existing vacant positions and identified new positions filled.
Further to the provisions of the Anti-	Continuous	P&D Department	Regular reports

Action description	Date	Responsible party	Completion measurement
<p>Corruption Guidelines (ACG) applicable to PforR operations, the modalities for implementing the ACG will include:</p> <ul style="list-style-type: none"> • aggregating complaints and allegations on F&C related to the Program through the PMU Punjab Employees Efficiency, Discipline & Accountability Act MIS and the Anti-Corruption Establishment MIS and, until such systems are established and operational as satisfactory to the Bank, through registering and reporting mechanisms as agreed with the Bank; • distilling material and credible allegations of F&C related to the Program, and keeping the Bank informed of progress and findings of consequent inquiry conducted or case filed, in a timely fashion and as agreed with the Bank, and making public the conclusions on PMU website; and • including in the bidding documents to be used in the Program information noting the applicability of the ACG to the Program, including a copy of the Bank’s ACG and the Bank’s right to conduct an audit if it deems necessary and to debar firms and individuals. 			communicated
Implementation of online web-based Procurement Management and Information System (PMIS) at all the Program implementing departments.		All implementing agencies of the PforR.	MIS system established. Procurement performance monitoring against “Performance Standards.”
Cross-cutting			
SMART Program Steering Committee holds quarterly meetings on program implementation issues.	Every 3 months	Program PMU	Notification and meeting minutes.

ANNEXES

ANNEX 1. DEPARTMENT OF AGRICULTURE: ASSESSMENT QUESTIONNAIRE

ANNEX 2. DEPARTMENT OF FOOD: ASSESSMENT QUESTIONNAIRE

ANNEX 3. DEPARTMENT OF INDUSTRIES: ASSESSMENT QUESTIONNAIRE

ANNEX 4. DEPARTMENT OF IRRIGATION: ASSESSMENT QUESTIONNAIRE

ANNEX 5. DEPARTMENT OF LIVESTOCK AND DAIRY DEVELOPMENT: ASSESSMENT QUESTIONNAIRE

ANNEX 6. INTEGRITY PACT

ANNEX 7. RED FLAGS

**Questionnaire for Establishing Institutional Capacity to Carry out Procurements under
Projects Financed Through the World Bank’s Financing Instrument (PforR)**

Question		Response
		Implementing Agency: Agriculture Department
1	What is the hierarchy of the procurement department? Which are the procuring entities, their respective roles, responsibilities and powers delegated to them to conduct a fair and transparent procurement? Furnish project procurement organization chart including the number of staff.	Presently, there is no Central Procurement Department/Wing in Agriculture Department. All the attached departments/wings are carrying out their procurements in accordance with the powers delegated to them under Rule-11 of PPRA Rules, 2014. (Delegation of Financial Powers is attached). Moreover, there is a Central Procurement Facilitation Cell at Department level; its roles & responsibilities are attached.
2	Do you have defined qualification requirements and role/duties for various staff levels, especially the staff dealing the procurement transactions? Please provide details. Has there been major staff turnover in the past five years? Give details.	As mentioned above, there is no dedicated staff for making procurements. Some of the staff members have been assigned additional duties for conducting procurement operations.
3	Which rules / regulations are currently in use by your entity for procurement of goods, works and services?	Punjab Public Procurement Rules-2014 are being used for all procurements (funded by the Provincial Government). However, World Bank Guidelines are applied for procurements if required under the agreement for funding.
4	Does your entity has a centralized procurement department or sub departments make their own procurements?	There is no Central Procurement Department/ Wing. All the attached departments are making procurements at their own.
5	Is procurement planning is done on annual basis. If so, state the guiding principles of such planning. How this plan is monitored and what is your experience about planned and actual procurements? How far they deviate (Planned Vs Actual)? State reasons of such deviations. Does your planning entail use of network techniques like Critical Path Method?	Rule 8 of Punjab Public Procurement Rules-2014 require the procurement planning on annual basis (by July of each financial year). Annual planning is made, on a given template, keeping in view the forecast of requirements for the entire financial year. Quite often, the annual planning does not work due to unexpected and sudden changes in the budgetary allocation and changes in agreed quarterly / biannual release of budget. Presently, no network technique like Critical Path Method is being used.
6	Is there a Central Tender Board /Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?	There is no Central Tender Board/Committee. Tender Evaluation Committees are constituted on case to case basis. Every procuring agency is competent to approve the award. On an average,1-2 weeks are required to get approval of the committee.
7	Which specifications/standards are applied while making procurement of goods, services and consultants?	Currently, no external specifications / standards are applied. A central Specifications Standardization Committee (SSC) has been constituted to approve the

Question		Response
		Implementing Agency: Agriculture Department specifications of goods keeping in view the provisions of Punjab Public Procurement Rules-2014.
8	Are technical specifications for goods/works prepared in-house or through consultants? List out the specifications	Usually, technical specifications of goods are prepared in-house. However, for certain complex procurements, Consultants are hired to guide in the procurement process.
9	What is the approval mechanism of the procurements under your entity? Whether approval from competent authority is required before starting procurement process? Who is the final authority or does it changes on case to case basis? Give examples.	Under Rule 11 of Punjab Public Procurement Rules-2014, all drawing and disbursing officers are the competent authorities to make procurements in their respective offices. Procurement process starts after getting prior approval from the competent authority i.e. head of procuring agencies who are the final authorities in their respective offices.
10	State the guiding principles of advertising the procurements as well as posting on websites.	Rule 12 of Punjab Public Procurement Rules-2014 deals with advertisements. Advertisements are made is under: i. From PKR100,000/- to PKR2.0 million advertisement on PPRA website and Agriculture Department website; if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. ii. For procurement exceeding PKR2 million advertisement in at least two national daily newspaper of wide circulation, PPRA website, and Agriculture Department website.
11	What is the threshold limits for public notice (open/advertised tenders / quotations) for bid invitation?	As per Rule 12 of Punjab Public Procurement Rules-2014, threshold limits for public notice of open competitive bidding starts from PKR100,000/- For procurement through quotation (from PKR50,000 to PKR100,000) public notice is not mandatory.
12	How often procurements under following categories is made: a. ICB b. NCB c. Quotations d. Single source only e. Any other (please specify)	Usually the procurements are made under the categories NCB, Quotations, Single Source, & Direct Contracting. However, sometimes procurements are also made through ICB.
13	How much response time is normally allowed to potential bidders for submitting their bids?	Rule 14 of Punjab Public Procurement Rules-2014 deals with response time. Minimum 15 days for NCB and 30 days for ICB is response time allowed to potential bidders for submitting their bids.
14	Are pre-bid conferences held on regular basis?	Pre-bid conferences are arranged in case of complex procurement. Pre-bid conferences are not held on regular basis.
15	What type of procurement mechanism is generally adopted? Single stage single envelope, Single stage two envelopes, two stage two envelopes, etc.	Normally, Single Stage Two Envelop mechanism is adopted. However, sometimes Single Stage Single Envelop and Two Stage Two Envelop mechanism is also adopted keeping in view the technical nature of the procurement.

Question		Response
		Implementing Agency: Agriculture Department
16	Does your entity have a prequalification mechanism for suppliers and contractors? If so, state the guiding factors for such prequalification? For which type of tenders such prequalification is done? State from your past experience. Attach a copy of standard pre-qualification document used in your organization?	Yes, Agriculture Department & its attached departments prequalify the suppliers and contractors following the procedure of prequalification given in Rule 16 of Punjab Public Procurement Rules-2014. Prequalification is done in complex & technical procurement. Prequalification documents are prepared on case-to-case basis. Prequalification is mandatory for procurement of store having value of PKR100 million or above.
17	How, if need arises, contractors/suppliers are disqualified? How many such disqualifications have been made during last five years? Submit data.	Rule 19 of Punjab Public Procurement Rules-2014 provides for disqualification. The procuring agency shall disqualify a contractor on the ground that he had provided false, fabricated or materially incorrect information.
18	Does your entity have a documented blacklisting criterion for contractors / suppliers - permanently or temporarily? What are the guiding principles of the black listings?	Rule 21 of Punjab Public Procurement Rules-2014 deals with blacklisting (permanent & temporary). A Schedule is also attached at the end of Punjab Public Procurement Rules-2014 giving detailed process of Blacklisting. This procedure is mandatory for all procurement entities.
19	Does your entity have price negotiation mechanism for goods, works, and consultancy? If so, what are the guiding principles for such negotiations?	Rule 53 & 57 of Punjab Public Procurement Rules-2014 deal with Negotiations. As per Rule-53, the procuring agency may negotiate with the highest ranked bidder for consultancy regarding methodology, work plan, staffing, contract price and special conditions of the contract. Rule 57 of PPRA Rules-2014 bar the procuring agency to negotiate with any of the bidders. However, in case of procurement of goods of highly technical nature (costing more than PKR50 million) under Two Stage-Two Envelop bidding procedure, the bidders may be asked to submit revised financial bid. Rule 59(d) allows negotiated tendering in certain cases.
20	How much are the bid and performance securities for different types of tenders? Do you require it from all bidders or there are some exceptions?	As per Rule 27 of Punjab Public Procurement Rules-2014, the procuring agency may require the bidders to furnish a bid security not exceeding five per cent of the estimated price . Rule 56 of Punjab Public Procurement Rules-2014 states that where needed and clearly expressed in the bidding documents , the procuring agency shall require the successful bidder to furnish a performance guarantee which shall not exceed ten percent of the contract amount.
21	How often bidders are asked to extend bid validates and why? How often bidders seek time extension in closing dates?	These are quite rare occurrences in case very complex procurements; particularly those involving imported supplies / components.
22	Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts	The summary information is uploaded on Punjab Public Procurement Regulatory Authority's website http://www.ppra.punjab.gov.pk/ .

Question		Response
	awarded, and names of successful bidders, etc.)? If so, state the websites?	Implementing Agency: Agriculture Department
23	Do you hold meetings with the vendors/suppliers to discuss the procurement issues? If so, furnish details. What follow-up actions are taken on such meetings?	Not usually. However, for complicated procurements pre-bid meetings are held.
24	How do you ensure, timely award of the contract? Who intervenes in case of delays?	Heads of attached departments (competent authority) monitor the whole procurement process.
25	How do you decide bidding / packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey, etc.)? Do you have any written rules for guidance? Furnish a copy	All these details are decided at the planning stage keeping in view project deliverables, timelines, expertise of the procuring agency, etc. No written rules for guidance are available.
26	What are your entity's rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.	There are no entity specific rules to this effect. Punjab Public Procurement Rules-2014 are also silent on this point.
27	Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details	According to Rule 7 of Punjab Public Procurement Rules-2014, Procurement exceeding the limit specified in the regulations (PKR10 million and above) shall be subject to an integrity pact between the procuring agency and a contractor. There is a prescribed format of this Integrity Pact which is made an integral part of the bidding documents / contract; it contains detailed provisions regarding anti-corruption and anti-bribery. The Contractor / Supplier is bound to furnish it on stamp paper.
28	Do you have a published code of conduct/ethics? Submit a copy.	There is a code of conduct / ethics for the government employees, but there is no specific code of conduct / ethics for procurement.
29	How you handle Bidder's/Contractor's/ Supplier's representations/ complaints before contract award/after award of work.	Before contract award, grievances of bidders are addressed under the provisions of Rule 67 of Punjab Public Procurement Rules-2014 which states that " The procuring agency shall constitute a committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract". Regarding complaints of contractors / suppliers after coming into force of the contract, Rule 68 of Punjab Public Procurement Rules-2014 states that " After coming into force of the procurement contract, disputes between the parties to the contract shall be settled through mediation or arbitration. The procuring agency shall provide for a method of mediation or arbitration or both in the procurement contract."

Question		Response
		Implementing Agency: Agriculture Department
30	Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.	Before forming the cost estimates market survey is conducted. Any staff member dealing with procurements is deputed to carryout market survey.
31	What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated slippages?	For goods 30 to 90 days are given in the procurement contract whereas, for services and consultancies the period varies from few months to years, according to nature of assignment.
32	Give listing of all activities from procurement planning to award of contract with level of responsibility at each tier.	1. Identifying the need – Procurement Planning 2. Writing the specification 3. Estimating cost 4. Securing approvals and funding 5. Determining the best procurement strategy 6. Deciding on the tendering procedure that should be followed 7. Preparing Request for Tender (RFT) 8. Allowing sufficient time for submission of tenders 9. Issuing tender documents, supporting documents and clarifications without delay 10. Receipting and opening tenders 11. Evaluation of tenders 12. Awarding the contract 13. Managing the contract
33	Is your procurement staff familiar with the World Bank's Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.	Yes, certain procurement staff possess requisite expertise/ experience.
34	Do you have separate documents for International and National Competitive bidding (both for goods/works) which are not financed by the Bank?	Standard Bidding Documents are not available in Punjab so far.
35	What are the principles you follow in determination of pre- or post-qualification criteria? Do you have a formal system of framing and approving such criteria in your organization?	Procedure & principles for pre- / post-qualification, are provided in Rule 16, 17 & 18 of Punjab Public Procurement Rules-2014. Such criteria are formally framed and approved by the competent authority at procurement planning stage.
36	Furnish a copy of bidding documents /conditions of contract generally adopted in your organization for various categories of work (goods, works, and services).	Bidding documents for Goods & Services are attached.
37	Do you have a standard Notification of award and purchase order forms? If, so furnish a copy of both.	Yes (Copy enclosed)
38	What rules do you follow for petty purchases/shopping? Is there any standard question form? Do you issue any Purchase order or do you pay case and carry goods?	Rule 4 & 59 (a) of Punjab Public Procurement Rules-2014 are followed for petty purchase. There is no standard question form; just cash is paid and goods are carried.

Question		Response
		Implementing Agency: <u>Agriculture Department</u>
39	What is the average time from invoice submission to payment for (a) advances;(b) progress payment; and (c) final payment. Are there delay? If so, what steps are being taken to minimize these?	One to three weeks are taken for payment after receipt of invoice.
40	Do you have a formal system of contract closing? Give data for the last five years as to: a. number of contracts completed; b. Number of cases where all amendments including on-time extensions, if any, are issued; and? c. Number of contracts for which final payments were released.	There is no formal system of contract closing. The contract is considered closed on delivery of store and making final payments expect warranty clause that remains operative till expiry of warranty period.
41	How grievances of the bidders/parties are redressed?	Through grievance redressal committees.
42	Do you verify prior to contract award, if a successful Bidder continues to meet the pre-qualifications requirements?	Yes
43	Is it mandatory for foreign suppliers to have a local agent in order to qualify to bid for goods or services?	Yes
44	Do you maintain lists of registered/ qualified Suppliers, Contractors and consultants? How often this list is updated? Does your updating covers review of their participation and performance?	The list of registered/ qualified suppliers and contractors is not maintained by the department. However, P&D Department maintain a list of consultants.
45	Do you maintain updated market information on commonly procured goods, including spares and other consumables?	Yes
46	During the last five years, how many firms are added and how many are deleted or temporarily debarred from participating?	N/A
47	What checks/filters do you apply before sale of tender documents to potential bidders?	Application on letter head and deposition of tender fee.
48	Are bid document available for sale on the date the sale is to start as per the notice?	Yes.
49	Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?	They are kept open till to the last date of receipt of the bids up to half an hour before opening of bids.
50	How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?	15 days
51	Is asking clarification on a bid routine or exception? What is the nature of clarifications normally asked (Is it on the qualification or on the substance of the bid)?	Clarification is exceptional. Normally nature of clarification is technical.

Question		Response
		Implementing Agency: Agriculture Department
52	How do you handle or store bids received prior to the deadline? Give details.	The bidders are usually required to drop their bids in tender box which is kept in safe custody and is only opened on the bid opening day.
53	Who are invited/permitted to attend bid opening (both from the Bidder's and Agency's side)?	Bids are opened by the Purchase Committee publicly in the presence of the bidders or their representatives who may choose to be present.
54	Describe your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?	<p>Rule 30 of Punjab Public Procurement Rules-2014 is followed for the bid opening procedure.</p> <p>The date for opening of bids and the last date for the submission of bids shall be the same; and, bids shall be opened at the time specified in the bidding documents which shall not be less than thirty minutes after the closing time for the submission of the bids.</p> <p>The procuring agency shall read aloud the unit price as well as the bid amount and shall record the minutes of the bid opening. All bidders in attendance at the time of opening of the bids shall sign an attendance sheet. The bids submitted after the closing time prescribed shall be rejected and returned without being opened.</p>
55	Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?	Original or a copy of bid security is required to be placed with the Technical Proposal. In this way, Financial Proposals of the bids which don't have a bid security or inadequate bid security are not opened at all.
56	What happens to bids if: a. received after the deadline for submission; b. received by the Agency but not opened	<p>a-Bid received after the deadline of submission is not considered and returned unopened.</p> <p>b-bids received by the Agency but not opened are also returned unopened.</p>
57	Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then complied?	Depends. Tender evaluation is carried out in the allocated tender evaluation rooms by the committee while in some cases separately by each department and then compiled.
58	Furnish a copy of a format of the bid evaluation report	Attached
59	Furnish a typical example of evaluation criteria followed in your organization for: a. goods; b. works; and c. consultancy	Attached
60	Based on your experience of evaluation, furnish examples of: a. non-material deviations or reservations; b. Material derivation or reservations, for various types of contract, i.e. goods, works, consultancy, etc.	N/A

Question		Response
		Implementing Agency: <u>Agriculture Department</u>
	Please provide examples where the bids are treated as non-responsive for each type	
61	How do you verify and determine Bidder's qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples	Bidder's qualification is verified through its financial capability, sale tax/ income tax returns. bank statements, technical capacity, equipment & machinery, and manpower, site verification and availability of infrastructure. No relaxation is given.
	Please furnish:	
	i) Cumulative number and value of contracts awarded in the past five years by your entity through ICB and NCB (separately), with break-up under categories of: a. goods plus supply and creation; b. works; and c. hiring of consultants;	Attached
	ii) What was the average time from date of bid opening to award of work for each category; and	Usually 15 days, 30 days in case of complex equipment.
	iii) Furnish number of contract awarded under each category: a. within initial validity period; b. delay of 60 days after initial bid validity; and c. delay beyond 60 days after initial bid validity?	
62	What is the criteria generally adopted for award of contract? Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder	Lowest evaluated responsive bid of the qualified bidder is awarded the contract.
63	Is your entity fully authorized to enter into contracts or they need government approvals before contract can be made effective?	Fully Authorized (but some contracts require vetting from Law Department and approval of cabinet).
64	Furnish a copy of format used for submission of performance security in contracts for: a. goods; and b. works Do you accept conditional and inadequate performance securities? If so, give instances.	Performance securities are obtained in the form of banking instrument, i.e. Call deposit / bankers' cheque, bank guarantee, etc. No conditional or inadequate performance securities are accepted.
65	In selection of Consultants what process and steps (i.e. quality and cost-based section, etc.) and type of contracts (e.g. lump sum, etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.	Following methods for selection of consultants are used under Punjab Public Procurement Rules-2014: Least Cost Selection, Quality & Cost Based Selection, Quality Based Selection, Direct Contracting. Following Contracts are used: Lump-Sum Contract, Time-Based Contract, Hourly or Daily

Question		Response
		<p>Implementing Agency: Agriculture Department</p> <p>Contract, any other suitable contract including any combination of the above- mentioned contract.</p> <p>Normally Fixed-Budget Contract with Milestone payment is used.</p>
66	Do you follow repeat –order system? If yes, what are the rules?	Rule 59 C (IV) of Punjab Public Procurement Rules-2014 allows repeat order but restricts it to 15% of the amount of original procurement.
67	Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report.	Currently, no computerized procurement or contract monitoring system is being used. All work is being done manually.
68	For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?	No interest is paid on delayed payments.
69	What is your set-up for Technical/Quality Assurance and Inception to ensure compliance to specifications and conformance to quality by the Supplier/Contractor?	Inspection committees have been constituted for the purpose.
70	How is delivery of goods and services monitored?	Delivery scheduled is monitored regularly through telephone, written reminders, etc.
71	Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?	Prices quoted by the supplier include delivery charges of goods on a given address.
72	Furnish brief detail on your stores and inventory management system relating to project activities.	No inventory management system is currently in-place except in a few offices like field wing of the Agriculture Department.
73	What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?	Normally Contract changes / variations are involved in procurement of works; whereas Agriculture Department deals with the procurement of goods and services.
74	Are there instances when work stops due to delays in issue of formal change order	N/A
75	Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works, do you have problems in dealing with variations? If so, how do you track them?	N/A
76	Please list, the common reasons for: <ul style="list-style-type: none"> a. contract variations b. time extensions c. price variations 	It's quite rare occurrence in Agriculture Department.
77	Are there instances of contract execution getting delayed due to: <ul style="list-style-type: none"> a. late release of inputs from your entity; or b. unforeseen problems faced by the Supplier or the Contractor? 	Sometimes contract execution gets delayed due to delay in release of funds from Finance Department or due to difficulties faced by the supplier. Such issues are settled amicably to the satisfaction of both the parties.

Question		Response
		Implementing Agency: <u>Agriculture Department</u>
	How do you resolve such disputes? Give instances.	
78	Are Contractor's/Supplier's disputes generally resolved through amicable settlement or through the process of adjudication/arbitration? How and where arbitration discussions are held?	Such issues are usually settled amicably.
79	During last five years, how many arbitration cases reported? Was the award generally in favor of the Supplier/Contractor?	
80	How do you handle case of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?	Through i) Imposition of liquidated damages ii) Forfeiture of performance guarantee and iii) Black listing
81	What is your set-up for inspection of goods? Is it in-house or third party?	Both
82	Are there instances of complaint by the Supplier on: a. delays in carrying out inspection; b. over inspection; or c. improper rejection of goods and services? Please provide examples.	Yes, but rarely
83	What is the mechanism for handling Supplier's/Contractor's claims?	Procurement Committee deals with supplier's claims.
84	Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time /cost over runs?	-
85	Who carried out audit of procurement cases and how frequently? What remedial actions are taken on their findings?	Auditor-General of Pakistan carries out the audit of procurement annually. 100% compliance of audit objections is ensured.
86	Are functions of pre-award work and post-award handled by the same procurement unit?	Normally pre-& post award work is handled by the same procurement unit.
87	Please provide information on Staff Responsibilities covering the numbers of staff assigned to various tasks like a. procurement planning b. preparation of bidding documents c. advertising d. printing and publication e. responses to questions/clarifications, pre-bid conferences f. bid opening	The departmental staff is assigned additional responsibilities for conducting procurement in attach departments, carry out all the functions mentioned in the question. There is no dedicated staff for procurement.

Question		Response
	<ul style="list-style-type: none"> g. bid evaluation h. contract preparation i. contract management j. quality control and inspection k. others covering transport, insurance, custom clearance and expediting, etc. 	Implementing Agency: <u>Agriculture Department</u>
88	Does your organization has a well-documented Procurement Manual? Furnish details or copy.	No manual is in place. Rules, regulations, & guidelines provided by the Punjab Public Procurement Regulatory Authority are followed.
89	How often the procurement manual is updated? Who is responsible for this task?	N/A
90	How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work?	Through periodic training programs, workshops, and participation in seminars.
91	Is your set-up for material/stores management part of project procurement setup or separate? Give details.	
92	What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there review committees? Please provide the latest copy of the Financial Powers/Rules.	Attached
93	Has your organization handled Bank financed or internationally funded procurement in the past? When? What value? Give details.	DG water management is handling donor funded projects.
94	Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used?	N/A
95	What entities carry out audit functions both internal and external? What is the mechanism for implementation of the Auditor's recommendations?	External Audit is conducted by the Auditor-General of Pakistan, whereas Internal Audit Wings are working in each Directorate General / Directorate of Agriculture Department. Departmental Accounts Committees (DACs) and Public Accounts Committee (PAC) are the forums available for implementing Auditor's recommendations.
96	What is the source of legal advice available to the procurement unit (both internal and external)?	Advice from seniors and Online Query Service of Punjab PPRA are the main sources of advice.
97	What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities, etc.? Describe? Please also indicate for how many years you maintain the records?	All record is maintained in files starting from identification of need through the satisfaction of need. Record is kept for at least 5 years.
98	What records are kept on change orders, progress reports, inspection, claims, etc.? Describe.	Each and every document is kept in procurement file concerning a particular procurement.

Question		Response
		Implementing Agency: <u>Agriculture Department</u>
99	Do you prepare a report on overall procurement activities? Who prepares it?	No such practice is in place. Reports are usually prepared in response to the query of a parliamentarian.
100	Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?	As replied above, all record concerning a particular procurement is maintained in the relevant procurement file; it also includes information on prices of contract. Such information is used for making payments and for audit purposes.
101	Do you have a computerized monitoring system for procurement?	No such system is in place.
102	How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?	There is dire need to meet the gap between the existing capacities and required capacities of the staff involved in procurement. No need assessment is ever done internally or externally; but working of procurement units shows acute capacity deficiencies.

**Questionnaire for Establishing Institutional Capacity to Carry out Procurements under
Projects Financed Through the World Bank's Financing Instrument (PforR)**

Question		Response
		Implementing Agency: Food Department
1	What is the hierarchy of the procurement department? Which are the procuring entities, their respective roles, responsibilities and powers delegated to them to conduct a fair and transparent procurement? Furnish project procurement organization chart including the number of staff.	Presently, there is no Central Procurement Department in Food Department. All the attached departments/lower formations are carrying out their procurements in accordance with the provisions of PPRA Rules, 2014.
2	Do you have defined qualification requirements and role/duties for various staff levels, especially the staff dealing the procurement transactions? Please provide details. Has there been major staff turnover in the past five years? Give details.	As mentioned above, there is no skilled staff for making procurements. Some of the staff members have been assigned additional duties for conducting procurement operations.
3	Which rules / regulations are currently in use by YOUR ENTITY for procurement of goods, works and services?	Punjab Public Procurement Rules-2014 are being used for all procurements (funded by the Provincial Government).
4	Does your entity has a centralized procurement department or sub departments make their own procurements?	There is no Central Procurement Department/ attached departments. All the attached departments are making procurements at their own.
5	Is procurement planning is done on annual basis. If so state the guiding principles of such planning. How this plan is monitored and what is your experience about planned and actual procurements? How far they deviate (Planned Vs Actual)? State reasons of such deviations. Does your planning entail use of network techniques like Critical Path Method?	Rule 8 of Punjab Public Procurement Rules-2014 require the procurement planning on annual basis (by July of each financial year). Annual planning is made on the basis of instructions/ targets fixed by the Provincial Government for Wheat Procurement. Quite often, the annual planning does not work due to unexpected and sudden changes in the instructions/ targets for procurement of wheat. Presently, no network technique like Critical Path Method is being used.
6	Is there a Central Tender Board /Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?	There is no Central Tender Board/Committee. Tender Evaluation Committees are constituted only for purchase of Bardana, etc., at administrative department level. Every procuring agency is competent to approve the award. On an average, 1-2 weeks are required to get approval of the committee.
7	Which specifications/standards are applied while making procurement of goods, services and consultants?	Currently, no external specifications / standards are applied. A Departmental Standardization Committee (DSC) has been constituted to approve the specifications of goods keeping in view the provisions of Punjab Public Procurement Rules-2014.
8	Are technical specifications for goods/works prepared in-house or through consultants? List out	Usually, technical specifications of goods are prepared in-house. However, for certain complex procurements,

Question		Response
	the specifications	Implementing Agency: Food Department experts in certain fields are requested to guide in the procurement process.
9	What is the approval mechanism of the procurements under your entity? Whether approval from competent authority is required before starting procurement process? Who is the final authority or does it changes on case to case basis? Give examples.	Under Rule 11 of Punjab Public Procurement Rules-2014, all drawing and disbursing officers are the competent authorities to make procurements in their respective offices. Procurement process starts after getting prior approval from the competent authority i.e. head of procuring agencies who are the final authorities in their respective offices.
10	State the guiding principles of advertising the procurements as well as posting on websites.	Rule 12 of Punjab Public Procurement Rules-2014 deals with advertisements. Advertisements are made is under: i. From PKR100,000/- to PKR2.0 million advertisement on PPRA website; if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. ii. For procurement exceeding PKR2 million advertisement in at least two national daily newspaper of wide circulation, PPRA website.
11	What is the threshold limits for public notice (open/advertised tenders / quotations) for bid invitation?	As per Rule 12 of Punjab Public Procurement Rules-2014, threshold limits for public notice of open competitive bidding starts from PKR100,000/- For procurement through quotation (from PKR50,000 to PKR100,000) public notice is not mandatory.
12	How often procurements under following categories is made: a. ICB b. NCB c. Quotations d. Single source only e. Any other (please specify)	Usually the procurements are made under the categories NCB, Quotations, Single Source, & Direct Contracting. However, sometimes procurements could also be made through ICB.
13	How much response time is normally allowed to potential bidders for submitting their bids?	Rule 14 of Punjab Public Procurement Rules-2014 deals with response time. Minimum 15 days for NCB and 30 days for ICB is response time allowed to potential bidders for submitting their bids.
14	Are pre-bid conferences held on regular basis?	Pre-bid conferences are not held on regular basis, however, the same could be arranged in case of complex procurement.
15	What type of procurement mechanism is generally adopted? Single stage single envelope, Single stage two envelopes, two stage two envelopes, etc.	Only Single Stage Two Envelop mechanism is adopted in Food Department for purchase of Bardana, etc.
16	Does your entity have a prequalification mechanism for suppliers and contractors? If so, state the guiding factors for such prequalification? For which type of tenders such prequalification is done? State from your past experience. Attach a	No prequalification mechanism is adopted in Food Department. All procurement of goods is being made through competitive bidding mechanism process.

Question		Response
	copy of standard pre-qualification document used in your organization?	Implementing Agency: Food Department
17	How, if need arises, contractors/suppliers are disqualified? How many such disqualifications have been made during last five years? Submit data.	Rule 19 of Punjab Public Procurement Rules-2014 provides for disqualification. The procuring agency shall disqualify a contractor on the ground that he had provided false, fabricated or materially incorrect information. No contractor/ supplier has so far been disqualified during the last five years under the Rule.
18	Does your entity have a documented blacklisting criterion for contractors / suppliers - permanently or temporarily? What are the guiding principles of the black listings?	Rule 21 of Punjab Public Procurement Rules-2014 deals with blacklisting (permanent & temporary). A Schedule is also attached at the end of Punjab Public Procurement Rules-2014 giving detailed process of Blacklisting. This procedure is mandatory for all procurement entities.
19	Does your entity have price negotiation mechanism for goods, works, and consultancy? If so, what are the guiding principles for such negotiations?	<p>Rule 53 & 57 of Punjab Public Procurement Rules-2014 deal with Negotiations.</p> <p>As per Rule-53, the procuring agency may negotiate with the highest ranked bidder for consultancy regarding methodology, work plan, staffing, contract price and special conditions of the contract.</p> <p>Rule 57 of PPRA Rules-2014 bar the procuring agency to negotiate with any of the bidders. However, in case of procurement of goods of highly technical nature (costing more than PKR50 million) under Two Stage-Two Envelop bidding procedure, the bidders may be asked to submit revised financial bid.</p> <p>Rule 59(d) allows negotiated tendering in certain cases.</p>
20	How much are the bid and performance securities for different types of tenders? Do you require it from all bidders or there are some exceptions?	As per Rule 27 of Punjab Public Procurement Rules-2014, the procuring agency may require the bidders to furnish a bid security not exceeding five per cent of the estimated price. Rule 56 of Punjab Public Procurement Rules-2014 states that where needed and clearly expressed in the bidding documents, the procuring agency shall require the successful bidder to furnish a performance guarantee which shall not exceed ten percent of the contract amount.
21	How often bidders are asked to extend bid validates and why? How often bidders seek time extension in closing dates?	These are quite rare occurrences in case very complex procurements; particularly those involving imported supplies / components.
22	Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded, and names of successful Bidders, etc.). If so, state the websites?	The summary information is uploaded on Punjab Public Procurement Regulatory Authority's website http://www.ppra.punjab.gov.pk/ .
23	Do you hold meetings with the vendors/suppliers to discuss the procurement issues? If so, furnish details. What follow-up actions are taken on such	Not in routine.

Question		Response
		Implementing Agency: <u>Food Department</u>
	meetings?	
24	How do you ensure, timely award of the contract? Who intervenes in case of delays?	Heads of attached departments (competent authority) monitor the whole procurement process.
25	How do you decide bidding / packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey, etc.)? Do you have any written rules for guidance? Furnish a copy	N/A.
26	What are your entity's rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.	There are no entity specific rules to this effect. Punjab Public Procurement Rules-2014 are also silent on this point.
27	Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details	All terms and conditions of Punjab Public Procurement Rules-2014, are applicable in all contracts.
28	Do you have a published code of conduct/ethics? Submit a copy.	There is no specific code of conduct / ethics for procurement.
29	How you handle Bidder's/Contractor's/ Supplier's representations/ complaints before contract award/after award of work.	Before contract award, grievances of bidders are addressed under the provisions of Rule 67 of Punjab Public Procurement Rules-2014 which states that " The procuring agency shall constitute a committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract". As regards complaints of contractors / suppliers after coming into force of the contract, Rule 68 of Punjab Public Procurement Rules-2014 states that " After coming into force of the procurement contract, disputes between the parties to the contract shall be settled through mediation or arbitration. The procuring agency shall provide for a method of mediation or arbitration or both in the procurement contract."
30	Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.	Before forming the cost estimates market survey is conducted. Any staff member dealing with procurements is deputed to carryout market survey.
31	What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated slippages?	For goods 30 to 90 days are given in the procurement contract.

Question		Response
		Implementing Agency: Food Department
32	Give listing of all activities from procurement planning to award of contract with level of responsibility at each tier.	1. Identifying the need – Procurement Planning 2. Writing the specification 3. Estimating cost 4. Securing approvals and funding 5. Determining the best procurement strategy 6. Deciding on the tendering procedure that should be followed 7. Preparing Request for Tender (RFT) 8. Allowing sufficient time for submission of tenders 9. Issuing tender documents, supporting documents and clarifications without delay 10. Receipting and opening tenders 11. Evaluation of tenders 12. Awarding the contract 13. Managing the contract
33	Is your procurement staff familiar with the World Bank's Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.	N/A.
34	Do you have separate documents for International and National Competitive bidding (both for goods/works) which are not financed by the Bank?	Standard Bidding Documents are not available in Punjab so far.
35	What are the principles you follow in determination of pre- or post-qualification criteria? Do you have a formal system of framing and approving such criteria in your organization?	N/A.
36	Furnish a copy of bidding documents /conditions of contract generally adopted in your organization for various categories of work (goods, works, and services).	Bidding documents for Goods are attached.
37	Do you have a standard Notification of award and purchase order forms? If, so furnish a copy of both.	Yes, (Copy enclosed)
38	What rules do you follow for petty purchases/shopping? Is there any standard question form? Do you issue any Purchase order or do you pay case and carry goods?	N/A.
39	What is the average time from invoice submission to payment for (a) advances;(b) progress payment; and (c) final payment. Are there delay? If so, what steps are being taken to minimize these?	One to three weeks are taken for payment after receipt of invoice / bill.
40	Do you have a formal system of contract closing? Give data for the last five years as to: a. number of contracts completed; b. Number of cases where all amendments including on-time extensions, if any, are issued; and? c. Number of contracts for which final payments were released.	There is no formal system of contract closing. The contract is considered closed on delivery of store and making final payments except warranty clause that remains operative till expiry of warranty period.

Question		Response
		Implementing Agency: Food Department
41	How grievances of the bidders/parties are redressed?	Through grievance Redressal Committees.
42	Do you verify prior to contact award, if a successful Bidder continues to meet the pre-qualifications requirements?	N/A.
43	Is it mandatory for foreign suppliers to have a local agent in order to qualify to bid for goods or services?	N/A.
44	Do you maintain lists of registered/ qualified Suppliers, Contractors and consultants? How often this list is updated? Does your updating covers review of their participation and performance?	The department make procurement through open bidding process.
45	Do you maintain updated market information on commonly procured goods, including spares and other consumables?	Yes
46	During the last five years, how many firms are added and how many are deleted or temporarily debarred from participating?	N/A
47	What checks/filters do you apply before sale of tender documents to potential bidders?	On request on letter head along with requisite tender fee.
48	Are bid document available for sale on the date the sale is to start as per the notice?	Yes.
49	Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?	They are kept open till to the last date of receipt of the bids up to half an hour before opening of bids.
50	How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?	15 days
51	Is asking clarification on a bid routine or exception? What is the nature of clarifications normally asked (Is it on the qualification or on the substance of the bid)?	N/A.
52	How do you handle or store bids received prior to the deadline? Give details.	The bidders are usually required to drop their bids in tender box which is kept in safe custody and is only opened on the bid opening day.
53	Who are invited/permitted to attend bid opening (both from the Bidder's and Agency's side)?	Bids are opened by the Purchase Committee publicly in the presence of the bidders or their representatives who may choose to be present.
54	Describe your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?	Rule 30 of Punjab Public Procurement Rules-2014 is followed for the bid opening procedure. The date for opening of bids and the last date for the

Question		Response
		<p>Implementing Agency: Food Department</p> <p>submission of bids shall be the same; and, bids shall be opened at the time specified in the bidding documents which shall not be less than thirty minutes after the closing time for the submission of the bids.</p> <p>The procuring agency shall read aloud the unit price as well as the bid amount and shall record the minutes of the bid opening. All bidders in attendance at the time of opening of the bids shall sign an attendance sheet. The bids submitted after the closing time prescribed shall be rejected and returned without being opened.</p>
55	Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?	Original or a copy of bid security is required to be placed with the Technical Proposal. In this way, Financial Proposals of the bids which don't have a bid security or inadequate bid security are not opened at all.
56	What happens to bids if: a. received after the deadline for submission; b. received by the Agency but not opened	a-Bid received after the deadline of submission is not considered and returned unopened. b-bids received by the Agency but not opened are also returned unopened.
57	Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?	Depends. Tender evaluation is carried out in the allocated tender evaluation rooms by the committee while in some cases separately by each department and then compiled.
58	Furnish a copy of a format of the bid evaluation report	Attached (Minutes of bid evaluation meeting)
59	Furnish a typical example of evaluation criteria followed in your organization for: a. goods; b. works; and c. consultancy	Attached (tender Document)
60	Based on your experience of evaluation, furnish examples of: a. non-material deviations or reservations; b. Material derivation or reservations, for various types of contract, i.e. goods, works, consultancy, etc. Please provide examples where the bids are treated as non-responsive for each type	N/A
61	How do you verify and determine Bidder's qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples	N/A.
	Please furnish:	

Question		Response
	<p>iv) Cumulative number and value of contracts awarded in the past five years by your entity through ICB and NCB (separately), with break-up under categories of:</p> <p>a. goods plus supply and creation;</p> <p>b. works; and</p> <p>c. hiring of consultants;</p>	
	v) What was the average time from date of bid opening to award of work for each category; and	Usually 15 days, 30 days in case of complex equipment.
	<p>vi) Furnish number of contract awarded under each category:</p> <p>a. within initial validity period;</p> <p>b. delay of 60 days after initial bid validity; and</p> <p>c. delay beyond 60 days after initial bid validity?</p>	
62	What is the criteria generally adopted for award of contract? Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder	Lowest evaluated responsive bid of the qualified bidder is awarded the contract.
63	Is your entity fully authorized to enter into contracts or they need government approvals before contract can be made effective?	Fully authorized. (However, in all cases the approval of the Cabinet Committee on wheat is being obtained).
64	<p>Furnish a copy of format used for submission of performance security in contracts for:</p> <p>a. goods; and</p> <p>b. works</p> <p>Do you accept conditional and inadequate performance securities? If so, give instances.</p>	<p>Performance securities are obtained in the form of banking instrument, i.e. Call deposit / bankers' cheque, demand draft, etc.</p> <p>No conditional or inadequate performance securities are accepted.</p>
65	In selection of Consultants what process and steps (i.e., quality and cost-based section, etc.) and type of contracts (i.e. lump sum, etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.	N/A.
66	Do you follow repeat –order system? If yes, what are the rules?	Yes. Rule 59 C (IV) of Punjab Public Procurement Rules-2014 allows repeat order but restricts it to 15% of the amount of original procurement.
67	Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report.	Currently, no computerized procurement or contract monitoring system is being used. All work is being done manually.
68	For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?	No interest is paid on delayed payments.

Question		Response
		Implementing Agency: Food Department
69	What is your set-up for Technical/Quality Assurance and Inception to ensure compliance to specifications and conformance to quality by the Supplier/Contractor?	Inspection Teams have been constituted for the purpose.
70	How is delivery of goods and services monitored?	Delivery scheduled is monitored regularly through telephone, written reminders, etc.
71	Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?	Prices quoted by the supplier include delivery charges of goods on a given address.
72	Furnish brief detail on your stores and inventory management system relating to project activities.	N/A.
73	What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?	Normally Contract changes / variations are involved in procurement of works; whereas Food Department deals with the procurement of goods.
74	Are there instances when work stops due to delays in issue of formal change order	N/A.
75	Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works, do you have problems in dealing with variations? If so, how do you track them?	N/A.
76	Please list, the common reasons for: a. contract variations b. time extensions c. price variations	These are rare occurrences in the Food Department.
77	Are there instances of contract execution getting delayed due to: a. late release of inputs from your entity; or b. unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances.	Sometimes contract execution gets delayed due to delay in release of funds from Finance Department or due to difficulties faced by the supplier. Such issues are settled amicably to the satisfaction of both the parties.
78	Are Contractor's/Supplier's disputes generally resolved through amicable settlement or through the process of adjudication/arbitration? How and where arbitration discussions are held?	Such issues are usually settled amicably.
79	During last five years, how many arbitration cases reported? Was the award generally in favor of the Supplier/Contractor?	Yes, two cases. Yes, the award was in favor of the supplier /contractor.
80	How do you handle case of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?	Through i) Imposition of liquidated damages. ii) Forfeiture of performance guarantee iii) Black listing.

Question		Response
		Implementing Agency: <u>Food Department</u>
81	What is your set-up for inspection of goods? Is it in-house or third party?	Both
82	Are there instances of complaint by the Supplier on: a. delays in carrying out inspection; b. over inspection; or c. improper rejection of goods and services? Please provide examples.	No.
83	What is the mechanism for handling Supplier's/Contractor's claims?	Procurement Committee deals with supplier's claims.
84	Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time /cost over runs?	N/A.
85	Who carried out audit of procurement cases and how frequently? What remedial actions are taken on their findings?	Auditor-General of Pakistan carries out the audit of procurement annually. 100% compliance of audit objections is ensured.
86	Are functions of pre-award work and post-award handled by the same procurement unit?	Normally pre-& post award work is handled by the same procurement unit.
87	Please provide information on Staff Responsibilities covering the numbers of staff assigned to various tasks like a. procurement planning b. preparation of bidding documents c. advertising d. printing and publication e. responses to questions/clarifications, pre-bid conferences f. bid opening g. bid evaluation h. contract preparation i. contract management j. quality control and inspection k. others covering transport, insurance, custom clearance and expediting, etc.	The departmental staff is assigned additional responsibilities for conducting procurement in attach departments, carry out all the functions mentioned in the question. There is no specifically skilled staff for procurement.
88	Does your organization has a well-documented Procurement Manual? Furnish details or copy.	No manual is in place. Rules, regulations, & guidelines provided by the Punjab Public Procurement Regulatory Authority are followed.
89	How often the procurement manual is updated? Who is responsible for this task?	N/A
90	How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work?	Through periodic training programs, workshops, and participation in seminars.

Question		Response
		Implementing Agency: <u>Food Department</u>
91	Is your set-up for material/stores management part of project procurement setup or separate? Give details.	N/A
92	What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there any review committees? Please provide the latest copy of the Financial Powers/Rules.	Punjab Procurement Rules 2014 are being followed in this regard.
93	Has your organization handled Bank financed or internationally funded procurement in the past? When? What value? Give details.	N/A
94	Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used?	N/A
95	What entities carry out audit functions both internal and external? What is the mechanism for implementation of the Auditor's recommendations?	External Audit is conducted by the Auditor-General of Pakistan, whereas Internal Audit Wings are working in each Directorate / Divisional Heads of Food Department. Departmental Accounts Committees (DACs), SDAC and Public Accounts Committee (PAC) are the forums available for implementing Auditor's recommendations.
96	What is the source of legal advice available to the procurement unit (both internal and external)?	Advice from seniors and Online Query Service of Punjab PPRA are the main sources of advice.
97	What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities, etc.? Describe? Please also indicate for how many years you maintain the records?	All record is maintained in files starting from identification of need through the satisfaction of need. Record is kept for at least 5 years.
98	What records are kept on change orders, progress reports, inspection, claims, etc.? Describe.	Each document is kept in procurement file concerning a particular procurement.
99	Do you prepare a report on overall procurement activities? Who prepares it?	No such practice is in place. Reports are usually prepared in response to the query of a parliamentarian.
100	Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?	As replied above, all record concerning a particular procurement is maintained in the relevant procurement file; it also includes information on prices of contract. Such information is used for making payments and for audit purposes.
101	Do you have a computerized monitoring system for procurement?	No such system is in place.
102	How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?	There is dire need to meet the gap between the existing capacities and required capacities of the staff involved in procurement. No need assessment is ever done internally or externally; but working of procurement units shows acute capacity deficiencies.

**Questionnaire for Establishing Institutional Capacity to Carry out Procurements under
Projects Financed Through the World Bank's financing Instrument (PforR)**

Question		Response Implementing Agency: <u>Industries, Commerce & Investment Department</u>
1	What is the hierarchy of the procurement department? Which are the procuring entities, their respective roles, responsibilities and powers delegated to them to conduct a fair and transparent procurement? Furnish project procurement organization chart including the number of staff.	Presently, there is no Central Procurement Department/Wing in IC&I Department. All the attached departments are carrying out their procurements in accordance with the powers delegated to them under Rule-11 of PPRA Rules, 2014. (Delegation of Financial Powers is attached). Strategic Planning Unit (SPU) is established which is doing procurement.
2	Do you have defined qualification requirements and role/duties for various staff levels, especially the staff dealing the procurement transactions? Please provide details. Has there been major staff turnover in the past five years? Give details.	As mentioned above, there is no dedicated staff for making procurements. Some of the staff members have been assigned additional duties for conducting procurement operations.
3	Which rules / regulations are currently in use by YOUR ENTITY for procurement of goods, works and services?	Punjab Public Procurement Rules-2014 are being used for all procurements (funded by the Provincial Government). However, World Bank Guidelines are applied for procurements if required under the agreement for funding.
4	Does your entity has a centralized procurement department or sub departments make their own procurements?	There is no Central Procurement Department/ Wing. All the attached departments are making procurements at their own.
5	Is procurement planning is done on annual basis. If so state the guiding principles of such planning. How this plan is monitored and what is your experience about planned and actual procurements? How far they deviate (Planned Vs Actual)? State reasons of such deviations. Does your planning entail use of network techniques like Critical Path Method?	Rule 8 of Punjab Public Procurement Rules-2014 require the procurement planning on annual basis (by July of each financial year). Annual planning is made, on a given template, keeping in view the forecast of requirements for the entire financial year. Quite often, the annual planning does not work due to unexpected and sudden changes in the budgetary allocation and changes in agreed quarterly / biannual release of budget. Presently, no network technique like Critical Path Method is being used.
6	Is there a Central Tender Board /Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?	There is no Central Tender Board/Committee. Tender Evaluation Committees are constituted on case to case basis. Every procuring agency is competent to approve the award. On an average,1-2 weeks are required to get approval of the committee.
7	Which specifications/standards are applied while making procurement of goods, services and consultants?	Currently, no external specifications / standards are applied. A central Specifications Standardization Committee (SSC) has been constituted to approve the specifications of goods keeping in view the provisions of

Question		Response
		Implementing Agency: <u>Industries, Commerce & Investment Department</u>
		Punjab Public Procurement Rules-2014.
8	Are technical specifications for goods/works prepared in-house or through consultants? List out the specifications	Usually, technical specifications of goods are prepared in-house. However, for certain complex procurements, Consultants are hired to get help in the procurement process.
9	What is the approval mechanism of the procurements under your entity? Whether approval from competent authority is required before starting procurement process? Who is the final authority or does it changes on case to case basis? Give examples.	Under Rule 11 of Punjab Public Procurement Rules-2014, all drawing and disbursing officers are the competent authorities to make procurements in their respective offices. Procurement process starts after getting prior approval from the competent authority i.e. head of procuring agencies who are the final authorities in their respective offices.
10	State the guiding principles of advertising the procurements as well as posting on websites.	Rule 12 of Punjab Public Procurement Rules-2014 deals with advertisements. Advertisements are made is under: iii. From PKR100,000/- to PKR2.0 million advertisement on PPRA website and IC&I Department website; if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. iv. For procurement exceeding PKR2.0 million advertisement in at least two national daily newspaper of wide circulation, PPRA website, and IC&I Department website.
11	What is the threshold limits for public notice (open/advertised tenders / quotations) for bid invitation?	As per Rule 12 of Punjab Public Procurement Rules-2014, threshold limits for public notice of open competitive bidding starts from PKR100,000/- For procurement through quotation (from PKR50,000 to PKR100,000) public notice is not mandatory.
12	How often procurements under following categories is made: a. ICB b. NCB c. Quotations d. Single source only e. Any other (please specify)	Usually the procurements are made under the categories NCB, Quotations, Single Source, & Direct Contracting. However, sometimes procurements are also made through ICB.
13	How much response time is normally allowed to potential bidders for submitting their bids?	Rule 14 of Punjab Public Procurement Rules-2014 deals with response time. Minimum 15 days for NCB and 30 days for ICB is response time allowed to potential bidders for submitting their bids.
14	Are pre-bid conferences held on regular basis?	Pre-bid conferences are arranged in case of complex procurement. Pre-bid conferences are not held on regular basis.
15	What type of procurement mechanism is generally adopted? Single stage single envelope, Single stage two envelopes, two stage two envelopes,	Normally, Single Stage Two Envelop mechanism is adopted. However, sometimes Single Stage Single Envelop and Two Stage Two Envelop mechanism is also adopted

Question		Response
	etc.	keeping in view the technical nature of the procurement.
16	Does your entity have a prequalification mechanism for suppliers and contractors? If so, state the guiding factors for such prequalification? For which type of tenders such prequalification is done? State from your past experience. Attach a copy of standard pre-qualification document used in your organization?	<p>Yes, IC&I Department & its attached departments prequalify the suppliers and contractors following the procedure of prequalification given in Rule 16 of Punjab Public Procurement Rules-2014. Prequalification is done in complex & technical procurement.</p> <p>Prequalification documents are prepared on case-to-case basis. Prequalification is mandatory for procurement of store having value of PKR100 million or above.</p>
17	How, if need arises, contractors/suppliers are disqualified? How many such disqualifications have been made during last five years? Submit data.	Rule 19 of Punjab Public Procurement Rules-2014 provides for disqualification. The procuring agency shall disqualify a contractor on the ground that he had provided false, fabricated or materially incorrect information.
18	Does your entity have a documented blacklisting criterion for contractors / suppliers - permanently or temporarily? What are the guiding principles of the black listings?	Rule 21 of Punjab Public Procurement Rules-2014 deals with blacklisting (permanent & temporary). A Schedule is also attached at the end of Punjab Public Procurement Rules-2014 giving detailed process of Blacklisting. This procedure is mandatory for all procurement entities.
19	Does your entity have price negotiation mechanism for goods, works, and consultancy? If so, what are the guiding principles for such negotiations?	<p>Rule 53 & 57 of Punjab Public Procurement Rules-2014 deal with Negotiations.</p> <p>As per Rule-53, the procuring agency may negotiate with the highest ranked bidder for consultancy regarding methodology, work plan, staffing, contract price and special conditions of the contract.</p> <p>Rule 57 of PPRA Rules-2014 bar the procuring agency to negotiate with any of the bidders. However, in case of procurement of goods of highly technical nature (costing more than PKR50 million) under a Two Stage-Two Envelop bidding procedure, the bidders may be asked to submit revised financial bid.</p> <p>Rule 59(d) allows negotiated tendering in certain cases.</p>
20	How much are the bid and performance securities for different types of tenders? Do you require it from all bidders or there are some exceptions?	As per Rule 27 of Punjab Public Procurement Rules-2014, the procuring agency may require the bidders to furnish a bid security not exceeding five per cent of the estimated price. Rule 56 of Punjab Public Procurement Rules-2014 states that where needed and clearly expressed in the bidding documents, the procuring agency shall require the successful bidder to furnish a performance guarantee which shall not exceed ten percent of the contract amount.
21	How often bidders are asked to extend bid validates and why? How often bidders seek time extension in closing dates?	These are quite rare occurrences in case very complex procurements; particularly those involving imported supplies / components.
22	Do you publish summaries of information on public procurement in any journal or issue (e.g.	The summary information is uploaded on Punjab Public Procurement Regulatory Authority's website

Question	Response
number of bids received, number of contracts awarded, and names of successful Bidders, etc.). If so, state the websites?	<p>Implementing Agency: <u>Industries, Commerce & Investment Department</u></p> <p>http://www.ppra.punjab.gov.pk/.</p>
23 Do you hold meetings with the vendors/suppliers to discuss the procurement issues? If so, furnish details. What follow-up actions are taken on such meetings?	Not usually. However, for complicated procurements pre-bid meetings can be held.
24 How do you ensure, timely award of the contract? Who intervenes in case of delays?	Heads of attached departments (competent authority) monitor the whole procurement process.
25 How do you decide bidding / packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey, etc.)? Do you have any written rules for guidance? Furnish a copy	<p>All these details are decided at the planning stage keeping in view project deliverables, timelines, expertise of the procuring agency, etc.</p> <p>No written rules for guidance are available.</p>
26 What are your entity's rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.	There are no entity specific rules to this effect. Punjab Public Procurement Rules-2014 are also silent on this point.
27 Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details	According to Rule 7 of Punjab Public Procurement Rules-2014, Procurement exceeding the limit specified in the regulations (PKR10 million and above) shall be subject to an integrity pact between the procuring agency and a contractor. There is a prescribed format of this Integrity Pact which is made an integral part of the bidding documents / contract; it contains detailed provisions regarding anti-corruption and anti-bribery. The Contractor / Supplier is bound to furnish it on stamp paper.
28 Do you have a published code of conduct/ethics? Submit a copy.	There is a code of conduct / ethics for the government employees, but there is no specific code of conduct / ethics for procurement.
29 How you handle Bidder's/Contractor's/ Supplier's representations/ complaints before contract award/after award of work.	<p>Before contract award, grievances of bidders are addressed under the provisions of Rule 67 of Punjab Public Procurement Rules-2014 which states that "The procuring agency shall constitute a committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract".</p> <p>Regarding complaints of contractors / suppliers after coming into force of the contract, Rule 68 of Punjab Public Procurement Rules-2014 states that "After coming into force of the procurement contract, disputes between the parties to the contract shall be settled through mediation or arbitration. The procuring agency shall provide for a</p>

Question		Response
		Implementing Agency: <u>Industries, Commerce & Investment Department</u> method of mediation or arbitration or both in the procurement contract."
30	Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.	Before forming the cost estimates market survey is conducted. Any staff member dealing with procurements is deputed to carryout market survey.
31	What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated slippages?	For goods 30 to 90 days are given in the procurement contract whereas, for services and consultancies the period varies from few months to years, according to the nature of the assignment.
32	Give listing of all activities from procurement planning to award of contract with level of responsibility at each tier.	1. Identifying the need – Procurement Planning 2. Writing the specification 3. Estimating cost 4. Securing approvals and funding 5. Determining the best procurement strategy 6. Deciding on the tendering procedure that should be followed 7. Preparing Request for Tender (RFT) 8. Allowing sufficient time for submission of tenders 9. Issuing tender documents, supporting documents and clarifications without delay 10. Receipting and opening tenders 11. Evaluation of tenders 12. Awarding the contract 13. Managing the contract
33	Is your procurement staff familiar with the World Bank's Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.	Yes, certain procurement staff possesses requisite expertise/ experience.
34	Do you have separate documents for International and National Competitive bidding (both for goods/works) which are not financed by the Bank?	Standard Bidding Documents are not available in Punjab so far.
35	What are the principles you follow in determination of pre-or post-qualification criteria? Do you have a formal system of framing and approving such criteria in your organization?	Procedure & principles for pre- / post-qualification, are provided in Rule 16, 17 & 18 of Punjab Public Procurement Rules-2014. Such criteria is formally framed and approved by the competent authority at procurement planning stage.
36	Furnish a copy of bidding documents /conditions of contract generally adopted in your organization for various categories of work (goods, works, and services).	Bidding documents for Goods & Services are attached.
37	Do you have a standard Notification of award and purchase order forms? If, so furnish a copy of both.	

Question		Response
		Implementing Agency: <u>Industries, Commerce & Investment Department</u>
38	What rules do you follow for petty purchases/shopping? Is there any standard question form? Do you issue any Purchase order or do you pay case and carry goods?	Rule 4 & 59 (a) of Punjab Public Procurement Rules-2014 are followed for petty purchase. There is no standard question form; just cash is paid and goods are carried.
39	What is the average time from invoice submission to payment for (a) advances;(b) progress payment; and (c) final payment. Are there delays? If so, what steps are being taken to minimize these?	One to three weeks are taken for payment after receipt of invoice.
40	Do you have a formal system of contract closing? Give data for the last five years as to: a. number of contracts completed; b. Number of cases where all amendments including on-time extensions, if any, are issued; and? c. Number of contracts for which final payments were released.	There is no formal system of contract closing. The contract is considered closed on delivery of store and making final payments expect warranty clause that remains operative till expiry of warranty period.
41	How grievances of the bidders/parties are redressed?	Through grievance redressal committees.
42	Do you verify prior to contact award, if a successful Bidder continues to meet the pre-qualifications requirements?	Yes
43	Is it mandatory for foreign suppliers to have a local agent in order to qualify to bid for goods or services?	Yes
44	Do you maintain lists of registered/ qualified Suppliers, Contractors and consultants? How often this list is updated? Do your updating covers review of their participation and performance?	The list of registered/ qualified suppliers and contractors is not maintained by the department. However, P&D Department maintains a list of consultants.
45	Do you maintain updated market information on commonly procured goods, including spares and other consumables?	Yes
46	During the last five years, how many firms are added and how many are deleted or temporarily debarred from participating?	N/A
47	What checks/filters do you apply before sale of tender documents to potential bidders?	Application on letter head and deposition of tender fee.
48	Are bid document available for sale on the date the sale is to start as per the notice?	Yes.
49	Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?	They are kept open till to the last date of receipt of the bids up to half an hour before opening of bids.
50	How much time do you normally allow to the prospective Bidders to submit the bids following	15 days.

Question		Response
	modification in the document?	
51	Is asking clarification on a bid routine or exception? What is the nature of clarifications normally asked (Is it on the qualification or on the substance of the bid)?	Clarification is exceptional. Normally nature of clarification is technical.
52	How do you handle or store bids received prior to the deadline? Give details.	The bidders are usually required to drop their bids in tender box which is kept in safe custody and is only opened on the bid opening day.
53	Who are invited/permitted to attend bid opening (both from the Bidder's and Agency's side)?	Bids are opened by the Purchase Committee publicly in the presence of the bidders or their representatives who may choose to be present.
54	Describe your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?	<p>Rule 30 of Punjab Public Procurement Rules-2014 is followed for the bid opening procedure.</p> <p>The date for opening of bids and the last date for the submission of bids shall be the same; and, bids shall be opened at the time specified in the bidding documents which shall not be less than thirty minutes after the closing time for the submission of the bids.</p> <p>The procuring agency shall read aloud the unit price as well as the bid amount and shall record the minutes of the bid opening. All bidders in attendance at the time of opening of the bids shall sign an attendance sheet. The bids submitted after the closing time prescribed shall be rejected and returned without being opened.</p>
55	Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?	Original or a copy of bid security is required to be placed with the Technical Proposal. In this way, Financial Proposals of the bids which don't have a bid security or inadequate bid security are not opened at all.
56	What happens to bids if: a. received after the deadline for submission; b. received by the Agency but not opened	<p>a-Bid received after the deadline of submission is not considered and returned unopened.</p> <p>b-bids received by the Agency but not opened are also returned unopened.</p>
57	Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?	Depends. Tender evaluation is carried out in the allocated tender evaluation rooms by the committee while in some cases separately by each department and then compiled.
58	Furnish a copy of a format of the bid evaluation report	
59	Furnish a typical example of evaluation criteria followed in your organization for:	

Question		Response
	a. goods; b. works; and c. consultancy	Implementing Agency: <u>Industries, Commerce & Investment Department</u>
60	Based on your experience of evaluation, furnish examples of: a. non-material deviations or reservations; b. Material derivation or reservations, for various types of contract, i.e. goods, works, consultancy, etc. Please provide examples where the bids are treated as non-responsive for each type	N/A
61	How do you verify and determine Bidder's qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples	Bidder's qualification is verified through its financial capability, sale tax/ income tax returns. bank statements, technical capacity, equipment & machinery, and manpower, site verification and availability of infrastructure. No relaxation is given.
	Please furnish:	
	i) Cumulative number and value of contracts awarded in the past five years by your entity through ICB and NCB (separately), with break-up under categories of: a. goods plus supply and creation; b. works; and c. hiring of consultants;	
	ii) What was the average time from date of bid opening to award of work for each category; and	Usually 15 days, 30 days in case of complex equipment.
	iii) Furnish number of contract awarded under each category: a. within initial validity period; b. delay of 60 days after initial bid validity; and c. delay beyond 60 days after initial bid validity?	
62	What is the criteria generally adopted for award of contract? Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder	Lowest evaluated responsive bid of the qualified bidder is awarded the contract.
63	Is your entity fully authorized to enter into contracts or they need government approvals before contract can be made effective?	Fully Authorized (but some contracts require vetting from Law Department and approval of cabinet).
64	Furnish a copy of format used for submission of performance security in contracts for: a. goods; and b. works	Performance securities are obtained in the form of banking instrument, i.e. Call deposit / bankers' check, bank guarantee, etc.

	Question	Response Implementing Agency: <u>Industries, Commerce & Investment Department</u>
	Do you accept conditional and inadequate performance securities? If so, give instances.	No conditional or inadequate performance securities are accepted.
65	In selection of Consultants what process and steps (i.e. quality and cost-based section, etc.) and type of contracts (i.e. lump sum, etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.	The following methods for selection of consultants are used under Punjab Public Procurement Rules-2014: Least Cost Selection, Quality & Cost Based Selection, Quality Based Selection, Direct Contracting. Following Contracts are used: Lump-Sum Contract, Time-Based Contract, Hourly or Daily Contract, any other suitable contract including any combination of the above-mentioned contract. Normally Fixed-Budget Contract with Milestone payment is used.
66	Do you follow repeat –order system? If yes, what are the rules?	Rule 59 C (IV) of Punjab Public Procurement Rules-2014 allows repeat order but restricts it to 15% of the amount of original procurement.
67	Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report.	Currently, no computerized procurement or contract monitoring system is being used. All work is being done manually.
68	For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?	No interest is paid on delayed payments.
69	What is your set-up for Technical/Quality Assurance and Inception to ensure compliance to specifications and conformance to quality by the Supplier/Contractor?	Inspection committees have been constituted for the purpose.
70	How is delivery of goods and services monitored?	Delivery scheduled is monitored regularly through telephone, written reminders, etc.
71	Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?	Prices quoted by the supplier include delivery charges of goods on a given address.
72	Furnish brief detail on your stores and inventory management system relating to project activities.	No inventory management system is currently in-place except in a few offices of the Department.
73	What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?	Normally Contract changes / variations are involved in procurement of works; whereas IC&I Department deals with the procurement of goods and services.
74	Are there instances when work stops due to delays in issue of formal change order	N/A
75	Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In	N/A

Question	Response Implementing Agency: <u>Industries, Commerce & Investment Department</u>
76	civil works, do you have problems in dealing with variations? If so, how do you track them?
77	Please list, the common reasons for: a. contract variations b. time extensions c. price variations
78	Are there instances of contract execution getting delayed due to: a. late release of inputs from your entity; or b. Unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances.
79	Are Contractor's/Supplier's disputes generally resolved through amicable settlement or through the process of adjudication/arbitration? How and where arbitration discussions are held?
80	During last five years, how many arbitration cases reported? Was the award generally in favor of the Supplier/Contractor?
81	How do you handle case of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?
82	Through i) Imposition of liquidated damages ii) Forfeiture of performance guarantee and iii) Black listing
83	What is your set-up for inspection of goods? Is it in-house or third party?
84	Are there instances of complaint by the Supplier on: a. delays in carrying out inspection; b. over inspection; or c. improper rejection of goods and services? Please provide examples.
85	What is the mechanism for handling Supplier's/Contractor's claims?
85	Procurement Committee deals with supplier's claims.
84	Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time /cost over runs?
85	Who carried out audit of procurement cases and how frequently? What remedial actions are taken on their findings?
	Auditor-General of Pakistan carries out the audit of procurement annually. 100% compliance of audit objections is ensured.

Question		Response
		Implementing Agency: <u>Industries, Commerce & Investment Department</u>
86	Are functions of pre-award work and post-award handled by the same procurement unit?	Normally pre-& post award work is handled by the same procurement unit.
87	Please provide information on Staff Responsibilities covering the numbers of staff assigned to various tasks like a. procurement planning b. preparation of bidding documents c. advertising d. printing and publication e. responses to questions/clarifications, pre-bid conferences f. bid opening g. bid evaluation h. contract preparation i. contract management j. quality control and inspection k. others covering transport, insurance, custom clearance and expediting, etc.	The departmental staff is assigned additional responsibilities for conducting procurement in attach departments, carry out all the functions mentioned in the question. There is no dedicated staff for procurement.
88	Does your organization have a well-documented Procurement Manual? Furnish details or copy.	No manual is in place. Rules, regulations, & guidelines provided by the Punjab Public Procurement Regulatory Authority are followed.
89	How often the procurement manual is updated? Who is responsible for this task?	N/A
90	How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work?	Through periodic training programs, workshops, and participation in seminars.
91	Is your set-up for material/stores management part of project procurement setup or separate? Give details.	
92	What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there any review committees? Please provide the latest copy of the Financial Powers/Rules.	
93	Has your organization handled Bank financed or internationally funded procurement in the past? When? What value? Give details.	Yes. Under PSDP.
94	Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used?	N/A
95	What entities carry out audit functions both internal and external? What is the mechanism for implementation of the Auditor's recommendations?	External Audit is conducted by the Auditor-General of Pakistan, whereas Internal Audit Wings are working in each attach Department. Departmental Accounts Committees (DACs) and Public Accounts Committee (PAC) are the

Question		Response
		Implementing Agency: <u>Industries, Commerce & Investment Department</u>
		forums available for implementing Auditor's recommendations.
96	What is the source of legal advice available to the procurement unit (both internal and external)?	Advice from seniors and Online Query Service of Punjab PPRA are the main sources of advice.
97	What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities, etc.? Describe? Please also indicate for how many years you maintain the records?	All record is maintained in files starting from identification of need through the satisfaction of need. Record is kept for at least 5 years.
98	What records are kept on change orders, progress reports, inspection, claims, etc.? Describe.	Each and every document is kept in procurement file concerning a particular procurement.
99	Do you prepare a report on overall procurement activities? Who prepares it?	No such practice is in place. Reports are usually prepared in response to the query of a parliamentarian.
100	Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?	As replied above, all record concerning a particular procurement is maintained in the relevant procurement file; it also includes information on prices of contract. Such information is used for making payments and for audit purposes.
101	Do you have a computerized monitoring system for procurement?	No such system is in place.
102	How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?	There is dire need to meet the gap between the existing capacities and required capacities of the staff involved in procurement. No need assessment is ever done internally or externally; but working of procurement units shows acute capacity deficiencies.

**Questionnaire for Establishing Institutional Capacity to Carryout Procurements under
Projects Financed Through the World Bank's Financing Instrument - PforR**

Question		Response
		Implementing Agency: Irrigation Department
1	What is the hierarchy of the procurement department? Which are the procuring entities, their respective roles, responsibilities and powers delegated to them to conduct a fair and transparent procurement? Furnish project procurement organization chart including the number of staff.	Presently, there is no Central Procurement Department/Wing in Agriculture Department. All the attached departments/wings are carrying out their procurements in accordance with the powers delegated to them under Rule-11 of PPRA Rules, 2014. Moreover, there is a Central Procurement Committee at Department level which is making procurement above PKR100 million.
2	Do you have defined qualification requirements and role/duties for various staff levels, especially the staff dealing the procurement transactions? Please provide details. Has there been major staff turnover in the past five years? Give details.	As mentioned above, there is no dedicated staff for making procurements. Some of the staff under SPU for procurement policy planning is being hired.
3	Which rules / regulations are currently in use by your entity for procurement of goods, works and services?	Punjab Public Procurement Rules-2014 are being used for all procurements (funded by the Provincial Government). However, Donors Guidelines are applied for procurements if required under the agreement for funding.
4	Does your entity has a centralized procurement department or sub departments make their own procurements?	There is no Central Procurement Department/ Wing. All the attached departments are making procurements at their own below PKR100 million.
5	Is procurement planning is done on annual basis. If so, state the guiding principles of such planning. How this plan is monitored and what is your experience about planned and actual procurements? How far they deviate (Planned Vs Actual)? State reasons of such deviations. Does your planning entail use of network techniques like Critical Path Method?	Rule 8 of Punjab Public Procurement Rules-2014 require the procurement planning on annual basis (by July of each financial year). Annual planning is made, on a given template, keeping in view the forecast of requirements for the entire financial year. Quite often, the annual planning does not work due to unexpected and sudden changes in the budgetary allocation and changes in agreed quarterly / biannual release of budget. Presently, no network technique like Critical Path Method is being used.
6	Is there a Central Tender Board /Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?	There is Central Tender Committee. Tender Evaluation is made by the Committees above PKR100 million.
7	Which specifications/standards are applied while making procurement of goods, services and consultants?	Currently, no external specifications / standards are applied. Procurement is made on quality/cost based, keeping in view the provisions of Punjab Public Procurement Rules-2014.
8	Are technical specifications for goods/works prepared in-house or through consultants? List out	Usually, technical specifications of goods are prepared in-house. However, for certain complex procurements,

Question		Response
	the specifications	Consultants are hired to guide in the procurement process.
9	What is the approval mechanism of the procurements under your entity? Whether approval from competent authority is required before starting procurement process? Who is the final authority or does it changes on case to case basis? Give examples.	Under Rule 11 of Punjab Public Procurement Rules-2014, all drawing and disbursing officers are the competent authorities to make procurements in their respective offices. Procurement process starts after getting prior approval from the competent authority i.e. head of procuring agencies who are the final authorities in their respective offices.
10	State the guiding principles of advertising the procurements as well as posting on websites.	Rule 12 of Punjab Public Procurement Rules-2014 deals with advertisements. Advertisements are made as under: v. From PKR100,000/- to PKR2.0 million advertisement on PPRA website and Irrigation Department website; if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. vi. For procurement exceeding PKR2 million advertisement in at least two national daily newspaper of wide circulation, PPRA website, and Irrigation Department website.
11	What is the threshold limits for public notice (open/advertised tenders / quotations) for bid invitation?	As per Rule 12 of Punjab Public Procurement Rules-2014, threshold limits for public notice of open competitive bidding starts from PKR100,000/- For procurement through quotation (from PKR50,000 to PKR100,000) public notice is not mandatory.
12	How often procurements under following categories is made: a. ICB b. NCB c. Quotations d. Single source only e. Any other (please specify)	Usually the procurements are made under the categories NCB, Quotations, Single Source, & Direct Contracting. However, sometimes procurements are also made through ICB for mega projects.
13	How much response time is normally allowed to potential bidders for submitting their bids?	Rule 14 of Punjab Public Procurement Rules-2014 deals with response time. Minimum 15 days for NCB and 30 days for ICB is response time allowed to potential bidders for submitting their bids.
14	Are pre-bid conferences held on regular basis?	Pre-bid conferences are arranged in case of complex procurement. Pre-bid conferences are not held on regular basis.
15	What type of procurement mechanism is generally adopted? Single stage single envelope, Single stage two envelopes, two stage two envelopes, etc.	Normally, Single Stage Two Envelop mechanism is adopted. However, sometimes Single Stage Single Envelop and Two Stage Two Envelop mechanism is also adopted keeping in view the technical nature of the procurement.
16	Does your entity have a prequalification mechanism for suppliers and contractors? If so, state the guiding factors for such prequalification? For which type of tenders such prequalification is	Yes, Irrigation Department & its attached departments prequalify the suppliers and contractors following the procedure of prequalification given in Rule 16 of Punjab Public Procurement Rules-2014. Prequalification is done in

Question		Response
	done? State from your past experience. Attach a copy of standard pre-qualification document used in your organization?	Implementing Agency: Irrigation Department complex & technical procurement. Prequalification documents are prepared on case-to-case basis. Prequalification is mandatory for procurement of store having value of PKR100 million or above.
17	How, if need arises, contractors/suppliers are disqualified? How many such disqualifications have been made during last five years? Submit data.	Rule 19 of Punjab Public Procurement Rules-2014 provides for disqualification. The procuring agency shall disqualify a contractor on the ground that he had provided false, fabricated or materially incorrect information.
18	Does your entity have a documented blacklisting criterion for contractors / suppliers - permanently or temporarily? What are the guiding principles of the black listings?	Rule 21 of Punjab Public Procurement Rules-2014 deals with blacklisting (permanent & temporary). A Schedule is also attached at the end of Punjab Public Procurement Rules-2014 giving detailed process of Blacklisting. This procedure is mandatory for all procurement entities.
19	Does your entity have price negotiation mechanism for goods, works, and consultancy? If so, what are the guiding principles for such negotiations?	Rule 53 & 57 of Punjab Public Procurement Rules-2014 deal with Negotiations. As per Rule-53, the procuring agency may negotiate with the highest ranked bidder for consultancy regarding methodology, work plan, staffing, contract price and special conditions of the contract. Rule 57 of PPRA Rules-2014 bar the procuring agency to negotiate with any of the bidders. However, in case of procurement of goods of highly technical nature (costing more than PKR50 million) under Two Stage-Two Envelop bidding procedure, the bidders may be asked to submit revised financial bid. Rule 59(d) allows negotiated tendering in certain cases.
20	How much are the bid and performance securities for different types of tenders? Do you require it from all bidders or there are some exceptions?	As per Rule 27 of Punjab Public Procurement Rules-2014, the procuring agency may require the bidders to furnish a bid security not exceeding five per cent of the estimated price. Rule 56 of Punjab Public Procurement Rules-2014 states that where needed and clearly expressed in the bidding documents, the procuring agency shall require the successful bidder to furnish a performance guarantee which shall not exceed ten percent of the contract amount.
21	How often bidders are asked to extend bid validates and why? How often bidders seek time extension in closing dates?	These are quite rare occurrences in case very complex procurements; particularly those involving imported supplies / components.
22	Do you publish summaries of information on public procurement in any journal or issue (e.g. number of bids received, number of contracts awarded, and names of successful Bidders, etc.). If so, state the websites?	The summary information is uploaded on Punjab Public Procurement Regulatory Authority's website http://www.ppra.punjab.gov.pk/ .
23	Do you hold meetings with the vendors/suppliers to discuss the procurement issues? If so, furnish details. What follow-up actions are taken on such	Not usually. However, for complicated procurements pre-bid meetings are held.

Question		Response
	meetings?	Implementing Agency: Irrigation Department
24	How do you ensure, timely award of the contract? Who intervenes in case of delays?	Heads of attached departments (competent authority) monitor the whole procurement process.
25	How do you decide bidding / packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey, etc.)? Do you have any written rules for guidance? Furnish a copy	All these details are decided at the planning stage keeping in view project deliverables, timelines, expertise of the procuring agency, etc. No written rules for guidance are available.
26	What are your entity's rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.	There are no entity specific rules to this effect. Punjab Public Procurement Rules-2014 are also silent on this point.
27	Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details	According to Rule 7 of Punjab Public Procurement Rules-2014, Procurement exceeding the limit specified in the regulations (PKR10 million and above) shall be subject to an integrity pact between the procuring agency and a contractor. There is a prescribed format of this Integrity Pact which is made an integral part of the bidding documents / contract; it contains detailed provisions regarding anti-corruption and anti-bribery. The Contractor / Supplier is bound to furnish it on stamp paper.
28	Do you have a published code of conduct/ethics? Submit a copy.	There is a code of conduct / ethics for the government employees, but there is no specific code of conduct / ethics for procurement.
29	How you handle Bidder's/Contractor's/ Supplier's representations/ complaints before contract award/after award of work.	Before contract award, grievances of bidders are addressed under the provisions of Rule 67 of Punjab Public Procurement Rules-2014 which states that " The procuring agency shall constitute a committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract". As regards complaints of contractors / suppliers after coming into force of the contract, Rule 68 of Punjab Public Procurement Rules-2014 states that " After coming into force of the procurement contract, disputes between the parties to the contract shall be settled through mediation or arbitration. The procuring agency shall provide for a method of mediation or arbitration or both in the procurement contract."
30	Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.	The estimates are made on the basis of Schedule of rates prepared by Finance Department and posted on web site. In case of non-schedule items for cost estimates market survey is conducted. Any staff member dealing with procurements is deputed to carryout market survey.

Question		Response
		Implementing Agency: Irrigation Department
31	What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated slippages?	For goods 30 to 90 days are given in the procurement contract whereas, for services and consultancies the period varies from few months to years, according to nature of assignment.
32	Give listing of all activities from procurement planning to award of contract with level of responsibility at each tier.	1. Identifying the need – Procurement Planning 2. Writing the specification 3. Estimating cost 4. Securing approvals and funding 5. Determining the best procurement strategy 6. Deciding on the tendering procedure that should be followed 7. Preparing Request for Tender (RFT) 8. Allowing sufficient time for submission of tenders 9. Issuing tender documents, supporting documents and clarifications without delay 10. Receipting and opening tenders 11. Evaluation of tenders 12. Awarding the contract 13. Managing the contract
33	Is your procurement staff familiar with the World Bank's Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.	Yes, certain procurement staff possess requisite expertise/experience.
34	Do you have separate documents for International and National Competitive bidding (both for goods/works) which are not financed by the Bank?	Standard Bidding Documents are not available in Punjab so far.
35	What are the principles you follow in determination of pre- or post-qualification criteria? Do you have a formal system of framing and approving such criteria in your organization?	Procedure & principles for pre- / post-qualification, are provided in Rule 16, 17 & 18 of Punjab Public Procurement Rules-2014. Such criteria is formally framed and approved by the competent authority at procurement planning stage.
36	Furnish a copy of bidding documents /conditions of contract generally adopted in your organization for various categories of work (goods, works, and services).	
37	Do you have a standard Notification of award and purchase order forms? If, so furnish a copy of both.	Yes
38	What rules do you follow for petty purchases/shopping? Is there any standard question form? Do you issue any Purchase order or do you pay case and carry goods?	Rule 4 & 59 (a) of Punjab Public Procurement Rules-2014 are followed for petty purchase. There is no standard question form; just cash is paid and goods are carried.
39	What is the average time from invoice submission to payment for (a) advances;(b) progress payment; and (c) final payment. Are there delay? If so, what steps are being taken to minimize these?	One to three weeks are taken for payment after receipt of invoice.

Question		Response
		Implementing Agency: Irrigation Department
40	Do you have a formal system of contract closing? Give data for the last five years as to: a. number of contracts completed; b. Number of cases where all amendments including on-time extensions, if any, are issued; and c. Number of contracts for which final payments were released.	There is no formal system of contract closing. The contract is considered closed on delivery of store and making final payments expect warranty clause that remains operative till expiry of warranty period.
41	How grievances of the bidders/parties are redressed?	Through grievance redressal committees.
42	Do you verify prior to contact award, if a successful Bidder continues to meet the pre-qualifications requirements?	Yes
43	Is it mandatory for foreign suppliers to have a local agent in order to qualify to bid for goods or services?	Yes
44	Do you maintain lists of registered/ qualified Suppliers, Contractors and consultants? How often this list is updated? Does your updating covers review of their participation and performance?	The list of registered/ qualified suppliers and contractors is not maintained by the department. However, P&D Department maintain a list of consultants.
45	Do you maintain updated market information on commonly procured goods, including spares and other consumables?	Yes
46	During the last five years, how many firms are added and how many are deleted or temporarily debarred from participating?	N/A
47	What checks/filters do you apply before sale of tender documents to potential bidders?	Application on letter head and deposition of tender fee.
48	Are bid document available for sale on the date the sale is to start as per the notice?	Yes.
49	Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?	They are kept open till to the last date of receipt of the bids up to half an hour before opening of bids.
50	How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?	15 days.
51	Is asking clarification on a bid routine or exception? What is the nature of clarifications normally asked (Is it on the qualification or on the substance of the bid)?	Clarification is exceptional. Normally nature of clarification is technical.
52	How do you handle or store bids received prior to the deadline? Give details.	The bidders are usually required to drop their bids in tender box which is kept in safe custody and is only opened on the bid opening day.

Question		Response
		Implementing Agency: Irrigation Department
53	Who are invited/permitted to attend bid opening (both from the Bidder's and Agency's side)?	Bids are opened by the Purchase Committee publicly in the presence of the bidders or their representatives who may choose to be present. In addition, PMIU also make a video of the bid opening.
54	Describe your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?	<p>Rule 30 of Punjab Public Procurement Rules-2014 is followed for the bid opening procedure.</p> <p>The date for opening of bids and the last date for the submission of bids shall be the same; and, bids shall be opened at the time specified in the bidding documents which shall not be less than thirty minutes after the closing time for the submission of the bids.</p> <p>The procuring agency shall read aloud the unit price as well as the bid amount and shall record the minutes of the bid opening. All bidders in attendance at the time of opening of the bids shall sign an attendance sheet. The bids submitted after the closing time prescribed shall be rejected and returned without being opened.</p>
55	Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?	Original or a copy of bid security is required to be placed with the Technical Proposal. In this way, Financial Proposals of the bids which don't have a bid security or inadequate bid security are not opened at all.
56	What happens to bids if: a. received after the deadline for submission; b. received by the Agency but not opened	<p>a-Bids received after the deadline of submission are not considered and returned unopened.</p> <p>b-bids received by the Agency but not opened are also returned unopened.</p>
57	Are tender evaluations carried out in the allocated tender evaluation rooms by the committee or separately by each department and then compiled?	Depends. Tender evaluation is carried out in the allocated tender evaluation rooms by the committee while in some cases separately by each department and then compiled.
58	Furnish a copy of a format of the bid evaluation report	
59	Furnish a typical example of evaluation criteria followed in your organization for: a. goods; b. works; and c. consultancy	
60	Based on your experience of evaluation, furnish examples of: a. non-material deviations or reservations; b. Material derivation or reservations, for various types of contract, i.e. goods, works, consultancy, etc. Please provide examples where the bids are treated as non-responsive for each type	N/A

Question		Response
		Implementing Agency: Irrigation Department
61	How do you verify and determine Bidder's qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples.	Bidder's qualification is verified through its financial capability, sale tax/ income tax returns. bank statements, technical capacity, equipment & machinery, and manpower, site verification and availability of infrastructure. No relaxation is given.
	Please furnish:	
	i) Cumulative number and value of contracts awarded in the past five years by your entity through ICB and NCB (separately), with break-up under categories of: a. goods plus supply and creation; b. works; and c. hiring of consultants.	
	ii) What was the average time from date of bid opening to award of work for each category; and	Usually 15 days, 30 days in case of complex equipment.
	iii) Furnish number of contract awarded under each category: a. within initial validity period; b. delay of 60 days after initial bid validity; and c. delay beyond 60 days after initial bid validity?	
62	What is the criteria generally adopted for award of contract? Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder	Lowest evaluated responsive bid of the qualified bidder is awarded the contract.
63	Is your entity fully authorized to enter into contracts or they need government approvals before contract can be made effective?	Fully Authorized (but some contracts require vetting from Law Department and approval of cabinet).
64	Furnish a copy of format used for submission of performance security in contracts for: a. goods; and b. works Do you accept conditional and inadequate performance securities? If so, give instances.	Performance securities are obtained in the form of banking instrument, i.e. Call deposit / bankers' check, bank guarantee, etc. No conditional or inadequate performance securities are accepted.
65	In selection of Consultants what process and steps (i.e. quality and cost-based section, etc.) and type of contracts (i.e. lump sum, etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged for the operations.	Following methods for selection of consultants are used under Punjab Public Procurement Rules-2014: Least Cost Selection, Quality & Cost Based Selection, Quality Based Selection, Direct Contracting. Following Contracts are used: Lump-Sum Contract, Time-Based Contract, Hourly or Daily Contract, any other suitable contract including any combination of the above-mentioned contract.

Question		Response
		Implementing Agency: Irrigation Department
		Normally Fixed-Budget Contract with Milestone payment is used.
66	Do you follow repeat –order system? If yes, what are the rules?	Rule 59 C (IV) of Punjab Public Procurement Rules-2014 allows repeat order but restricts it to 15% of the amount of original procurement.
67	Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report.	Currently, no computerized procurement or contract monitoring system is being used. All work is being done manually.
68	For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?	No interest is paid on delayed payments.
69	What is your set-up for Technical/Quality Assurance and Inception to ensure compliance to specifications and conformance to quality by the Supplier/Contractor?	Third Party Consultants have been hired by the Department.
70	How is delivery of goods and services monitored?	Delivery scheduled is monitored regularly through telephone, written reminders, etc.
71	Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?	Prices quoted by the supplier include delivery charges of goods on a given address.
72	Furnish brief detail on your stores and inventory management system relating to project activities.	No inventory management system is currently in-place.
73	What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?	Normally Contract changes / variations are involved in procurement of works; whereas Agriculture Department deals with the procurement of goods and services.
74	Are there instances when work stops due to delays in issue of formal change order	N/A
75	Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works, do you have problems in dealing with variations? If so, how do you track them?	N/A
76	Please list, the common reasons for: a. contract variations b. time extensions c. price variations	The main reasons are the change in design, met. Conditions and alterations.
77	Are there instances of contract execution getting delayed due to: a. late release of inputs from your entity; or b. unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give instances.	Sometimes contract execution gets delayed due to delay in release of funds from Finance Department or due to difficulties faced by the supplier. Such issues are settled amicably to the satisfaction of both the parties.

Question		Response
		Implementing Agency: Irrigation Department
78	Are Contractor's/Supplier's disputes generally resolved through amicable settlement or through the process of adjudication/arbitration? How and where arbitration discussions are held?	Such issues are usually settled amicably.
79	During last five years, how many arbitration cases reported? Was the award generally in favor of the Supplier/Contractor?	
80	How do you handle case of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?	Through i) Imposition of liquidated damages ii) Forfeiture of performance guarantee and iii) Black listing
81	What is your set-up for inspection of goods? Is it in-house or third party?	Both
82	Are there instances of complaint by the Supplier on: a. delays in carrying out inspection; b. over inspection; or c. improper rejection of goods and services? Please provide examples.	Yes, but rarely
83	What is the mechanism for handling Supplier's/Contractor's claims?	Procurement agency deals with supplier's claims.
84	Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time /cost over runs?	
85	Who carried out audit of procurement cases and how frequently? What remedial actions are taken on their findings?	Auditor-General of Pakistan carries out the audit of procurement annually. 100% compliance of audit objections is ensured.
86	Are functions of pre-award work and post-award handled by the same procurement unit?	Normally pre-& post award work is handled by the same procurement unit.
87	Please provide information on Staff Responsibilities covering the numbers of staff assigned to various tasks like a. procurement planning b. preparation of bidding documents c. advertising d. printing and publication e. responses to questions/clarifications, pre-bid conferences f. bid opening g. bid evaluation h. contract preparation i. contract management	The departmental staff is assigned additional responsibilities for conducting procurement in attach departments, carry out all the functions mentioned in the question. There is no dedicated staff for procurement.

Question		Response
		Implementing Agency: Irrigation Department
	j. quality control and inspection k. others covering transport, insurance, custom clearance and expediting, etc.	
88	Does your organization has a well-documented Procurement Manual? Furnish details or copy.	No manual is in place. Rules, regulations, & guidelines provided by the Punjab Public Procurement Regulatory Authority are followed.
89	How often the procurement manual is updated? Who is responsible for this task?	N/A
90	How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work?	Through periodic training programs, workshops, and participation in seminars.
91	Is your set-up for material/stores management part of project procurement setup or separate? Give details.	
92	What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there any review committees? Please provide the latest copy of the Financial Powers/Rules.	Attached.
93	Has your organization handled Bank financed or internationally funded procurement in the past? When? What value? Give details.	The Irrigation Department is handling ADB, World Bank and JICA donor funded projects.
94	Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used?	N/A
95	What entities carry out audit functions both internal and external? What is the mechanism for implementation of the Auditor's recommendations?	External Audit is conducted by the Auditor-General of Pakistan, whereas Internal Audit Wings are working in each Directorate General / Directorate of Agriculture Department. Departmental Accounts Committees (DACs) and Public Accounts Committee (PAC) are the forums available for implementing Auditor's recommendations.
96	What is the source of legal advice available to the procurement unit (both internal and external)?	Advice from seniors and Online Query Service of Punjab PPRA are the main sources of advice.
97	What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities, etc.? Describe? Please also indicate for how many years you maintain the records?	All record is maintained in files starting from identification of need through the satisfaction of need. Record is kept for at least 5 years.
98	What records are kept on change orders, progress reports, inspection, claims, etc.? Describe.	Each and every document is kept in procurement file concerning a particular procurement.
99	Do you prepare a report on overall procurement activities? Who prepares it?	No such practice is in place.

Question		Response
		Implementing Agency: <u>Irrigation Department</u>
100	Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?	As replied above, all record concerning a particular procurement is maintained in the relevant procurement file; it also includes information on prices of contract. Such information is used for making payments and for audit purposes.
101	Do you have a computerized monitoring system for procurement?	No such system is in place.
102	How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?	There is dire need to meet the gap between the existing capacities and required capacities of the staff involved in procurement.

**Questionnaire for Establishing Institutional Capacity to Carryout Procurements under
Projects Financed Through the World Bank's Financing Instrument - PforR**

Sr. NO	QUESTIONS	RESPONSE IMPLEMENTING AGENCY: <u>Livestock and Dairy Development Department</u>
1.	What is the hierarchy of the procurement department? Which are the procuring entities, their respective roles, responsibilities and powers delegated to them to conduct a fair and transparent procurement? Furnish project procurement organization chart including the number of staff.	Every executing agency / directorate conducts procurement through an evaluation committee.
2.	Do you have defined qualification requirements and role/duties for various staff levels, especially the staff dealing the procurement transactions? Please provide details. Has there been major staff turnover in the past five years? Give details.	The existing staff available with procuring agency process the procurement.
3.	Which rules / regulations are currently in use by YOUR ENTITY for procurement of goods, works and services?	Punjab Procurement rule 2014.
4.	Does your entity has a centralized procurement department or sub departments make their own procurements?	Sub Department make their own procurement.
5.	Is procurement planning is done on annual basis. If so state the guiding principles of such planning. How this plan is monitored and what is your experience about planned and actual procurements? How far they deviate (Planned Vs Actual)? State reasons of such deviations. Does your planning entail use of network techniques like Critical Path Method?	The annual procurement plan is not prepared regularly.
6.	Is there a Central Tender Board /Committee or similar set-up or is there Tender Evaluation Committee on a case to case basis? Give details. Who approves the award recommendations of the Committee? What is the average time taken to get their approval?	Every executing agency/directorate has its own Tender Evaluation Committee. Category-I officer/Director approves the procurement the approval is done on as average within one week.
7.	Which specifications/standards are applied while making procurement of goods, services and consultants?	Specification committee constituted by the procuring agency prepare the specification as per requirement.
8.	Are technical specifications for goods/works prepared in-house or through consultants? List out the specifications	Technical specification usually prepared in-house.
9.	What is the approval mechanism of the procurements under your entity? Whether approval from competent authority is required before starting procurement process? Who is the	The requisitions for goods/services to be procured is obtained and got approval from competent authority before tendering. To initiate procurement the approval of competent authority is must. Final

Sr. NO	QUESTIONS	RESPONSE IMPLEMENTING AGENCY: <u>Livestock and Dairy Development Department</u>
	final authority or does it changes on case to case basis? Give examples.	authority changes case to case as per value of tender.
10.	State the guiding principles of advertising the procurements as well as posting on websites.	PPRA rules 2014 are followed in this regard.
11.	What is the threshold limits for public notice (open/advertised tenders / quotations) for bid invitation?	For quotation PKR0.05 million to less than PKR0.1 million; open tender PKR0.1 million and above.
12.	How often procurements under following categories is made: a. ICB b. NCB c. Quotations d. Single source only e. Any other (please specify)	ICB: seldom NCB: often Quotations: Frequent Single Source: seldom
13.	How much response time is normally allowed to potential bidders for submitting their bids?	At least 15 days for NCB and 30 days for ICB.
14.	Are pre-bid conferences held on regular basis?	Pre-bid conference not held on regular basis.
15.	What type of procurement mechanism is generally adopted? Single stage single envelope, Single stage two envelopes, two stage two envelopes, etc.	Single stage two envelope mechanism is often used.
16.	Does your entity have a prequalification mechanism for suppliers and contractors? If so, state the guiding factors for such prequalification? For which type of tenders such prequalification is done? State from your past experience. Attach a copy of standard pre-qualification document used in your organization?	Prequalification is done in case of procurement of expensive and technically complex equipment and valuing PKR100 million and above. The guidelines mentioned in the PPRA rules 2014 are followed.
17.	How, if need arises, contractors/suppliers are disqualified? How many such disqualifications have been made during last five years? Submit data.	In case of breach in agreement/contract the contractors are disqualified according to the procedure mentioned in PPRA rules 2014.
18.	Does your entity have a documented blacklisting criterion for contractors / suppliers - permanently or temporarily? What are the guiding principles of the black listings?	The guiding principles and criteria in PPRA rules 2014 are generally followed.
19.	Does your entity have price negotiation mechanism for goods, works, and consultancy? If so, what are the guiding principles for such negotiations?	According to PPRA rules 2014 there is a limitation on negotiation however in emergency purchase negotiation tendering is done. The procedure mentioned in rules ibid is followed.
20.	How much are the bid and performance securities for different types of tenders? Do you require it from all bidders or there are some exceptions?	Bid security is up to 5% of estimated price of Bid while performance security is up to 10% of quoted price. Bid Security received from all bidders while performance bid security received from successful bidders only.
21.	How often bidders are asked to extend bid validates and why? How often bidders seek time extension in closing dates?	No such provision in PPRA Rules 2014.
22.	Do you publish summaries of information on public procurement in any journal or issue (e.g.	Seldom on PPRA website.

Sr. NO	QUESTIONS	RESPONSE IMPLEMENTING AGENCY: <u>Livestock and Dairy Development Department</u>
	number of bids received, number of contracts awarded, and names of successful Bidders, etc.). If so, state the websites?	
23.	Do you hold meetings with the vendors/suppliers to discuss the procurement issues? If so, furnish details. What follow-up actions are taken on such meetings?	Yes, mostly the issue related to supply and quality of goods, services are discussed with bidders.
24.	How do you ensure, timely award of the contract? Who intervenes in case of delays?	The officer in-charge remains vigilant and insures timely award of contract. In case delay higher authority intervene the matter.
25.	How do you decide bidding / packaging strategies for project procurement (such as item basis, supply, supply-cum-erection, turnkey, etc.)? Do you have any written rules for guidance? Furnish a copy	Procuring agency itself decide the strategies and no written rules is it as such.
26.	What are your entity's rules for prevention of conflict of interest in case of staff who deal with tenders as well as Firm/Consultants complaints who participate in the bidding? Describe its essential features with copies of orders.	No mechanism for prevention of conflict of interest, however to readdressed the complaints of firms grievance committee is notified by the procuring agency.
27.	Have you any provisions in your bid documents and contracts regarding anti-bribery and anti-corruption conditions? Give details	Such provision does not exist so far.
28.	Do you have a published code of conduct/ethics? Submit a copy.	No.
29.	How you handle Bidder's/Contractor's/ Supplier's representations/ complaints before contract award/after award of work.	The complaints are handle through readdressed of grievance committee.
30.	Do you have a system of conducting market surveys to update cost estimates for goods, works and services? If not, what is the basis of forming cost estimates before inviting the bids? Give details.	Yes.
31.	What is the normal project completion schedule for various types of goods, works, and consultant services contracts? What are the major causes for slippages as perceived by you? Give data and explain what steps are taken/contemplated slippages?	Mostly the project got completed in time.
32.	Give listing of all activities from procurement planning to award of contract with level of responsibility at each tier.	Procurement planning is followed by approval of competent authority, tendering/completive bidding and award of contract.
33.	Is your procurement staff familiar with the World Bank's Procurement Policies, Guidelines, and the Standard Bidding Documents (SBDs) to be used in Bank financed projects? What is their experience of correctly filling Bid Data Sheet and drafting Special Conditions of Contract? Give details.	The staff involved in procurement is least aware of this procedure.
34.	Do you have separate documents for International	Yes

Sr. NO	QUESTIONS	RESPONSE IMPLEMENTING AGENCY: <u>Livestock and Dairy Development Department</u>
	and National Competitive bidding (both for goods/works) which are not financed by the Bank?	
35.	What are the principles you follow in determination of pre-or post-qualification criteria? Do you have a formal system of framing and approving such criteria in your organization?	The principles contain in PPRA Rules 2014 are being followed and the criteria approved regularly.
36.	Furnish a copy of bidding documents /conditions of contract generally adopted in your organization for various categories of work (goods, works, and services).	Copy is attached.
37.	Do you have a standard Notification of award and purchase order forms? If, so furnish a copy of both.	Yes, copy attached
38.	What rules do you follow for petty purchases/shopping? Is there any standard question form? Do you issue any Purchase order or do you pay case and carry goods?	PPRA Rules 2014 are being followed for petty purchases, cash and carry method is adopted.
39.	What is the average time from invoice submission to payment for (a) advances;(b) progress payment; and (c) final payment. Are there any delays? If so, what steps are being taken to minimize these?	On average, of 15 days are taken for payments.
40.	Do you have a formal system of contract closing? Give data for the last five years as to: a. number of contracts completed; b. Number of cases where all amendments including on-time extensions, if any, are issued; and c. Number of contracts for which final payments were released.	Not practiced.
41.	How grievances of the bidders/parties are redressed?	Through readdressed of grievances committee.
42.	Do you verify prior to contact award, if a successful Bidder continues to meet the pre-qualifications requirements?	Yes
43.	Is it mandatory for foreign suppliers to have a local agent in order to qualify to bid for goods or services?	Yes
44.	Do you maintain lists of registered/ qualified Suppliers, Contractors and consultants? How often this list is updated? Do your updating covers review of their participation and performance?	No
45.	Do you maintain updated market information on commonly procured goods, including spares and other consumables?	Yes
46.	During the last five years, how many firms are added and how many are deleted or temporarily debarred from participating?	Not practiced.

Sr. NO	QUESTIONS	RESPONSE IMPLEMENTING AGENCY: <u>Livestock and Dairy Development Department</u>
47.	What checks/filters do you apply before sale of tender documents to potential bidders?	No checks or filters.
48.	Are bid document available for sale on the date the sale is to start as per the notice?	Yes
49.	Do you restrict sale of bid document to a definite number of days or do you keep it open till a day prior to the last date of receipt of the bids?	Keep it open till a day prior to last date of receipt of bids.
50.	How much time do you normally allow to the prospective Bidders to submit the bids following modification in the document?	Before closing time of bids the bidders can modify the documents.
51.	Is asking clarification on a bid routine or exception? What is the nature of clarifications normally asked (Is it on the qualification or on the substance of the bid)?	It is routine to get clarification for qualification as well as the substance of bid.
52.	How do you handle or store bids received prior to the deadline? Give details.	The bids are stored in a sealed tender box.
53.	Who are invited/permitted to attend bid opening (both from the Bidder's and Agency's side)?	Tenders committee members, bidders or their representatives are permitted.
54.	Describe your bid opening procedure? What information is read out during the bid opening? Are minutes separately drawn or do you maintain only a register? What information is recorded?	Bids are opened according to the producer mentioned in PPRA Rules 2014. The participating firms, their technical evaluation and rates quoted are read out for the bidders. Minutes are prepared and notified.
55.	Are all bids received, opened and read out at the time of bid opening? Or is there a system in which bids not accompanied by a bid security or of inadequate value not opened at all?	Technical bids of bidders are open the bids not accompany bid security or less value are not included in financial bidding.
56.	What happens to bids that are: a. received after the deadline for submission; b. received by the Agency but not opened	a. The bids are rejected. b. If not technically responsive, financial bids are returned unopened.
57.	Are tender evaluation carried out in the allocated tender evaluation rooms by the committee or separately by each department and then complied?	The tender evaluation is done separately by each procuring agency.
58.	Furnish a copy of a format of the bid evaluation report	Copy attached.
59.	Furnish a typical example of evaluation criteria followed in your organization for: a. goods; b. works; and c. consultancy	Copy is attached.
60.	Based on your experience of evaluation, furnish examples of: a. non-material deviations or reservations; b. Material derivation or reservations, for various types of contract, i.e. goods, works,	a. Registration with FBR, work experience, financial soundness, skilled staff. b. ISO certification, membership of commerce and industries professional members.

Sr. NO	QUESTIONS	RESPONSE IMPLEMENTING AGENCY: <u>Livestock and Dairy Development Department</u>
	<p>consultancy, etc.</p> <p>Please provide examples where the bids are treated as non-responsive for each type</p>	
61.	<p>How do you verify and determine Bidder's qualification to perform the contract? How rigidly do you enforce this? Are there instances of relaxation of qualification criteria, while recommending for award particularly in cases of lowest quoted offer? Give examples</p>	<p>Bidders qualification verified/determined through documents/and issuing agencies. No compromise in qualification criteria.</p>
	<p>Please furnish:</p>	
	<p>i. Cumulative number and value of contracts awarded in the past five years by your entity through ICB and NCB (separately), with break-up under categories of:</p> <p>a. goods plus supply and creation;</p> <p>b. works; and</p> <p>c. hiring of consultants;</p>	
	<p>ii. What was the average time from date of bid opening to award of work for each category; and</p>	
	<p>iii. Furnish number of contract awarded under each category:</p> <p>a. within initial validity period;</p> <p>b. delay of 60 days after initial bid validity; and</p> <p>c. delay beyond 60 days after initial bid validity?</p>	
62.	<p>What is the criteria generally adopted for award of contract? Is it the lowest price or the lowest evaluated responsive bid of the qualified Bidder</p>	<p>Both the lowest evaluated responsive bid and lowest price.</p>
63.	<p>Is your entity fully authorized to enter into contracts or they need government approvals before contract can be made effective?</p>	<p>Most of the cases the entity is authorized to enter into contract.</p>
64.	<p>Furnish a copy of format used for submission of performance security in contracts for:</p> <p>a. goods; and</p> <p>b. works</p> <p>Do you accept conditional and inadequate performance securities? If so, give instances.</p>	<p>Copy is enclosed.</p>
65.	<p>In selection of Consultants what process and steps (i.e. quality and cost-based section, etc.) and type of contracts (i.e. lump sum, etc.) do you follow? Give examples of some typical consultancy contracts being handled or envisaged</p>	<p>The consultant hiring is seldom practiced at department level.</p>

Sr. NO	QUESTIONS	RESPONSE IMPLEMENTING AGENCY: <u>Livestock and Dairy Development Department</u>
	for the operations.	
66.	Do you follow repeat –order system? If yes, what are the rules?	The repeat order is practiced accordingly PPRA Rules 2014 are followed.
67.	Do you have manual or computerized procurement and/or contract monitoring systems? Submit sample report.	Manual system.
68.	For delayed due payments does the contract provide for payment of interest? Are there instances of interest being paid?	No.
69.	What is your set-up for Technical/Quality Assurance and Inception to ensure compliance to specifications and conformance to quality by the Supplier/Contractor?	A technically evaluation committee is formulated for this purpose.
70.	How is delivery of goods and services monitored?	The technical evaluation committee and store in charge monitor delivery.
71.	Who manages transportation of goods to project store? Is it normally the responsibility of the Supplier?	Supplier.
72.	Furnish brief detail on your stores and inventory management system relating to project activities.	The goods received are accorded in inventory registers and issued afterwards.
73.	What is the procedure for handling contract changes/variation? Is work undertaken by the Contractor prior to issue of formal change order?	Contract changes/variatioins are conveyed to the contractors who undertake work only after issuance of change order.
74.	Are there instances when work stops due to delays in issue of formal change order?	It happens seldom.
75.	Are there instances of large variations in quantity beyond the limits envisaged in the contract? How do you handle such situations? Give examples. In civil works, do you have problems in dealing with variations? If so, how do you track them?	It does not happen normally - civil works are handled by C&W Department.
76.	Please list, the common reasons for: a. contract variations b. time extensions c. price variations	d. Abrupt change in demand, revision of PC-I. e. Delayed manufacturing or shipment from contractor. f. Increase/decrease of prices by Govt., levy of taxes, etc.
77.	Are there instances of contract execution getting delayed due to: a. late release of inputs from your entity; or b. unforeseen problems faced by the Supplier or the Contractor? How do you resolve such disputes? Give examples.	Occasionally disputes resolved through arbitration.
78.	Are Contractor's/Supplier's disputes generally resolved through amicable settlement or through the process of adjudication/arbitration? How and where arbitration discussions are held?	Most of disputes are settled amicably.

Sr. NO	QUESTIONS	RESPONSE IMPLEMENTING AGENCY: <u>Livestock and Dairy Development Department</u>
79.	During last five years, how many arbitration cases reported? Was the award generally in favor of the Supplier/Contractor?	
80.	How do you handle case of nonperformance or failure of a contract? Give examples where with timely and skillful intervention you retrieved the situation. In how many cases during the last few years, have you enforced liquidated damages, and forfeited performance security?	The performance security is forfeited. A few cases occur usually.
81.	What is your set-up for inspection of goods? Is it in-house or third party?	In-house inspection of goods.
82.	Are there instances of complaint by the Supplier on: a. delays in carrying out inspection; b. over inspection; or c. improper rejection of goods and services? Please provide examples.	It seldom happens.
83.	What is the mechanism for handling Supplier's/Contractor's claims?	The issue is probe thorough a grievance committee.
84.	Furnish data on original project time/cost vs. actual time/cost for projects completed by the Agency in the last five years and reasons for large variations in case of time /cost over runs?	
85.	Who carried out audit of procurement cases and how frequently? What remedial actions are taken on their findings?	Audit department does the audit and its observations are addressed.
86.	Are functions of pre-award work and post-award handled by the same procurement unit?	Yes
87.	Please provide information on Staff Responsibilities covering the numbers of staff assigned to various tasks, such as: a. procurement planning b. preparation of bidding documents c. advertising d. printing and publication e. responses to questions/clarifications, pre-bid conferences f. bid opening g. bid evaluation h. contract preparation i. contract management j. quality control and inspection k. others covering transport, insurance, custom clearance and expediting, etc.	No specific staff deputed for various procurement related activities.
88.	Does your organization has a well-documented Procurement Manual? Furnish details or copy.	The department follows PPRA Rules 2014 for procurement.

Sr. NO	QUESTIONS	RESPONSE IMPLEMENTING AGENCY: <u>Livestock and Dairy Development Department</u>
89.	How often the procurement manual is updated? Who is responsible for this task?	Punjab procurement regulatory authority is responsible for updating which it does periodically.
90.	How do you ensure that all your staff handling procurement activities are aware of rules and regulations pertaining to their areas of work?	Staff involved in procurement get training on rules.
91.	Is your set-up for material/stores management part of project procurement setup or separate? Give details.	It is a separate arrangement.
92.	What are the financial powers available to the procurement unit? How do the award recommendations get processed? Are there any review committees? Please provide the latest copy of the Financial Powers/Rules.	Punjab delegation of financial powers rules 2006 amended 2016 govern the procurement in project also. Award recommendations are review and corrected by the concerned directors. Prior to the award of contract.
93.	Has your organization handled Bank financed or internationally funded procurement in the past? When? What value? Give details.	The procurements under LAMP project funded by IFAD handled in 2015-16.
94.	Have you used procurement agents for Bank financed procurement in the past? What was the method of selection used?	No
95.	What entities carry out audit functions both internal and external? What is the mechanism for implementation of the Auditor's recommendations?	Audit department carries out audit. The recommendations are implemented through project staff.
96.	What is the source of legal advice available to the procurement unit (both internal and external)?	No.
97.	What records are maintained by the procurement unit starting from the process of public advertisement to bidding, evaluation, signing of contract, furnishing of performance securities, etc.? Describe? Please also indicate for how many years you maintain the records?	Relevant records of procurement are maintained by the procuring agency during at least 5 years.
98.	What records are kept on change orders, progress reports, inspection, claims, etc.? Describe.	Originals documents along with any changed orders, etc. are kept for order purpose.
99.	Do you prepare a report on overall procurement activities? Who prepares it?	Yes, procuring agency prepare the report.
100.	Do you maintain a record of contract prices as awarded and amendment thereof? How is it used?	Yes, this record is used to evaluate future rates.
101.	Do you have a computerized monitoring system for procurement?	No
102.	How are the staff needs assessed? Who does it? How frequently? Do you have current gaps on staffing needs?	Currently no specific staff is recruited for processing of procurement and no specified place/office is allocated for this purpose/ all the arrangements are made out of existing recourses of the procuring agency.

ANNEX 6. INTEGRITY PACT

(INTEGRITY PACT)

**DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC.
PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN
CONTRACTS WORTH **PKR10.00 MILLION OR MORE****

Contract No. _____

Dated _____

Contract Value: _____

Contract Title: _____

..... [name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan (GoP) or any administrative subdivision or agency thereof or any other entity owned or controlled by GoP through any **corrupt business practice**.

Without limiting the generality of the foregoing, [name of Supplier] represents and warrants that it has **fully declared the brokerage, commission, fees, etc. paid or payable** to anyone and has not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, **any commission, gratification, bribe, finder's fee or kickback**, whether described as **consultation fee or otherwise**, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP, **except that which has been expressly declared pursuant hereto**.

[name of Supplier] certifies that it has made and will make full disclosure of **all agreements and arrangements with all persons** in respect of or **related to the transaction with GoP** and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[name of Supplier] accepts **full responsibility** and **strict liability** for making any **false declaration**, not making **full disclosure, misrepresenting facts** or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other rights and remedies available to GoP under any law, contract or other instrument, **be voidable at the option of GoP**.

Notwithstanding any rights and remedies exercised by GoP in this regard, [name of Supplier] agrees to **indemnify GoP** for any loss or damage incurred by it on account of its corrupt business practices and further **pay compensation to GoP** in an **amount equivalent to ten times** the sum of any commission, gratification, bribe, finder's fee or kickback given by [name of Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP.

Name of Buyer:

Name of Seller/Supplier:

Signature:

Signature:

[Seal]

[Seal]

Some possible warning signs of situations that may be F&C-related:

- Facilities financed under the Program that are located far from beneficiaries or are not needed.
- Over- or under-specified needs.
- Technical specifications directed to a particular supplier, or not appropriate for the intended use of the goods.
- Unreasonable or excessively subjective qualification and selection criteria.
- Inflated costs estimation.
- A large number of individual consultants not clearly related to the Program's objectives.
- Sector studies making unsupported recommendations affecting procurement of goods or works or prepared by consultants who appear to be in conflict of interest.
- Concentration of excessive discretionary authority with insufficient oversight, description of implementation arrangements, or management accountability.
- Lack of capacity of works supervisors/inspectors, widespread failure to report on substandard goods or works, or significant failure to distribute goods to beneficiaries in a timely fashion.
- Excessive delivery charges.
- Excessive agent commissions.
- Conflict of interest in evaluation committees.
- Under- or over-invoicing or multiple invoices for the same payments.
- Significant delays in payments to suppliers and contractors.
- Unusually high operational expenses not related to Program needs.
- Widespread splitting of contracts.
- Potentially extortive conditions in bidding documents (e.g., excessively high securities, onerous penalties, excessively strict delivery terms).
- Inadequate advertisement or misleading/unavailable information on how to participate in the process.
- Insufficient time for bid preparation.
- Apparent rotation of bidders (as suggested by bidding patterns).
- Frequent cancellation of processes followed by direct contract negotiations.
- Excessive front-loading of cost and frequent change orders.
- Wholesale subcontracting.
- Inventories or equipment not reconciled with asset registers.
- Procurements made outside the procurement plan.