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**GOVERNMENT OF THE PUNJAB
PUNJAB PROCUREMENT REGULATORY
AUTHORITY, S&GAD
ALFALAH BUILDING, 3rd FLOOR, The MALL,
LAHORE**

Dated Lahore, the 2nd April, 2019

CIRCULAR

No.L&M(PPRA)10-01/2011. Punjab Procurement Regulatory Authority (PPRA) has been striving hard to orientate and facilitate the public sector organizations in developing their comprehension in PPRA legal framework through intensive capacity building program. These efforts where has positively worked to mitigate the procurement laws/rules violation there it has also helped the procuring agencies to have an effective and efficient procurement by gathering value for money.

2. It has been brought to the notice of PPRA that while contesting their cases in anti-corruption or NAB, conflict of opinion arises on account of understanding of PPRA laws and its interpretation. PPRA is being frequently approached by the procuring agencies to clarify rule 27 and 56 of Punjab Procurement Rules 2014 which deals with bid security and performance guarantee **up to a** specific threshold of 5% and 10% respectively. Acquiring bid security and performance guarantee is the sole discretion of the procuring agencies. The word "up to" means that the procuring agency can take the bid security or performance guarantee up to 5% or 10%, fixing the below limit from the specified threshold would be the discretion of the procuring agency. The understanding of different investigating agencies (NAB / Anti-Corruption) regarding the

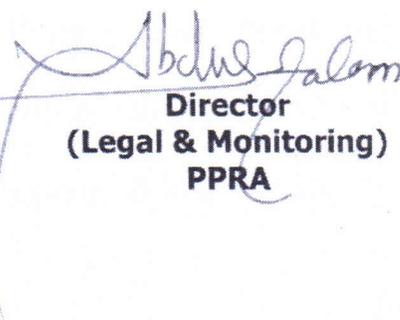
ibid rules has created confusion and stress for the public procuring agencies and give rise to conflict of opinion while responding to the queries of investigating agencies.

3. In order to remove the ambiguities it is clarified that all the procuring agencies are authorized to take bid security / performance guarantee up to 5% / 10% as may deem appropriate. There is no lower limit fixed for the procuring agency which could be taken or interpreted as a compulsion. The meaning of "up to" clearly denote that it is the given threshold below to which the performance guarantee or bid security can be acquired.


(SHAHID HUSSAIN)
Managing Director, PPRA

C.C:-

1. The Accountant General, Punjab.
2. All Administrative Secretaries, Government of the Punjab.
3. The Inspector General of Police, Punjab.
4. The Registrar, Lahore High Court Lahore.
5. All Divisional Commissioners, Government of the Punjab.
6. All Deputy Commissioners, Government of the Punjab.
7. Director General NAB Lahore.
8. Director General Anti-Corruption, Punjab.
9. The Director General, Civil Audit, Punjab.
10. The Director General, Works Audit, Punjab.
11. All the Directors Anti-Corruption in Punjab.
12. All the Heads of Attached Departments.
13. PA to MD, PPRA.


Director
(Legal & Monitoring)
PPRA