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GOVERNMENT OF THE PUNJAB
PUNJAB PROCUREMENT REGULATORY AUTHORITY 002360
SERVICES AND GENERAL ADMINISTRATION
DEPARTMENT

304-T, 3rd Floor Al-Falah Building, The Mall Lahore.

Dated Lahore, the 20th March, 2024

CIRCULAR

No. **L&M (PPRA)10-01/2011**. Punjab Procurement Regulatory Authority (PPRA) is being frequently approached through different complaints that there is an inordinate delay on the part of procuring agencies in releasing the financial instruments submitted to the procuring agencies as bid security or performance guarantee; even after the award of contract and fulfillment of contractual obligations to the entire satisfaction of the procuring agency (as the case may be). In some cases this delay extends to years and years which has caused serious adverse financial impact (i.e. substantial loss due to opportunity cost/devaluation of currency/inflation, difficulties to participate in the new/fresh tendering processes due to non-availability of enough funds to submit bid securities and performance guarantees etc.) upon the respective bidder or contractor as well as trust deficit in the market.

2. PPRA is of the view that procuring agency is not only responsible for the receipt of financial instruments as bid security or performance guarantee (as the case may be) but also ensure the immediate release of these financial instruments (after award of contract or fulfillment of contractual obligations as the case may be) to the bidder or contractor subject to completion of all other legal and codal requirements. Same holds good for the situations where tender is scraped/cancelled as withholding of these financial instruments without any justification is not only highly unfair and questions the transparency of the process but is in sheer violation of principles of procurement as enunciated in Rule 4 of PPR-14. Instances have

also been reported where officers / officials of the procuring agencies with held the financial instruments and released the same after seeking favours from bidders or contractors.

3. It is further clarified that if procuring agency intends to forfeit the financial instrument of bid security or performance guarantee, the procuring agency shall pass a speaking order of forfeiture after observing a due process which requires proper notice and personal hearing. Such speaking orders shall be addressed to the bidder or contractor with a copy to the all concerned for further necessary action as per law/rule/policy.

4. Above in view, all the procuring agencies shall ensure that bid security / performance guarantee is immediately released after the same is no longer required. For the purpose, procuring agency shall inform the bidder or contractor concerned to collect the relevant instrument (bid security or performance guarantee) in black & white after having release approval sought from the competent authority. The competent authorities in the procuring agencies are also advised to take disciplinary action against such officers/officials who are responsible for causing unnecessary delay in release of bid security / performance guarantee.

-Sd-
(WAQAR AZIM)
Managing Director, PPRA

No. & Date even.

A copy is forwarded for information and necessary action to:-

1. The Senior Member, Board of Revenue, Punjab.
2. The Chairman, Planning & Development Board.
3. The Inspector General of Police, Punjab.
4. The Accountant General, Punjab.
5. All the Administrative Secretaries, Govt. of the Punjab.
6. All the Divisional Commissioner in Punjab.
7. All the Heads of Attached Departments, Punjab.
8. All the Heads of Autonomous Bodies, Punjab.
9. The Director General Anti-Corruption Punjab.
10. All the Deputy Commissioners in Punjab.
11. PSO to the Chairman PPRA/Chief Secretary, Punjab.



12. PSO to the Additional Chief Secretary, Punjab.
13. Web-Developer/Data Administrative, PPRA with the direction to immediately upload the same on the website of the PPRA.


SENIOR LAW OFFICER
PPRA S&GAD

20/3/2024.

Cc:

1. The Registrar, Lahore High Court Lahore.
2. The Director General NAB, Lahore.
3. The Ombudsman, Punjab.